

VERMILION PARISH SCHOOL BOARD

Abbeville, Louisiana

Financial Report

Year Ended June 30, 2013

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C. Burton Kolder, CPA*
Russell F. Champagne, CPA*
Victor R. Slaven, CPA*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Penny Angelle Scruggins, CPA
Christine C. Doucet, CPA

Wanda F. Arcement, CPA,CVA
Allen J. LaBry, CPA
Albert R. Leger, CPA,PFS,CSA*
Marshall W. Guidry, CPA
Stephen R. Moore, Jr., CPA,PFS,CFP®,ChFC®
James R. Roy, CPA
Robert J. Metz, CPA
Alan M. Taylor, CPA
Kelly M. Doucet, CPA
Cheryl L. Bartley, CPA
Mandy B. Self, CPA
Paul L. Delcambre, Jr., CPA
Kristin B. Dauzat, CPA
Matthew E. Margaglio, CPA
Jane R. Hebert, CPA
Bryan K. Joubert, CPA
Stephen J. Anderson, CPA
W. Jeffrey Lowry, CPA
Brad E. Kolder, CPA, JD
Casey L. Ardoin, CPA

Retired:
Conrad O. Chapman, CPA* 2006

* A Professional Accounting Corporation

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

OFFICES

183 South Beadle Rd.
Lafayette, LA 70508
Phone (337) 232-4141
Fax (337) 232-8660

450 East Main Street
New Iberia, LA 70560
Phone (337) 367-9204
Fax (337) 367-9208

113 East Bridge St.
Breaux Bridge, LA 70517
Phone (337) 332-4020
Fax (337) 332-2867

200 South Main Street
Abbeville, LA 70510
Phone (337) 893-7944
Fax (337) 893-7946

1234 David Dr. Ste 203
Morgan City, LA 70380
Phone (985) 384-2020
Fax (985) 384-3020

1013 Main Street
Franklin, LA 70538
Phone (337) 828-0272
Fax (337) 828-0290

408 West Cotton Street
Ville Platte, LA 70586
Phone (337) 363-2792
Fax (337) 363-3049

133 East Waddil St.
Marksville LA 71351
Phone (318) 253-9252
Fax (318) 253-8681

332 West Sixth Avenue
Oberlin, LA 70655
Phone (337) 639-4737
Fax (337) 639-4568

1428 Metro Drive
Alexandria, LA 71301
Phone (318) 442-4421
Fax (318) 442-9833

WEB SITE
WWW.KCSRCPAS.COM

INDEPENDENT AUDITOR'S REPORT

Mr. Jerome Puyau, Superintendent,
and Members of the Vermilion Parish School Board
Abbeville, Louisiana

Report on the financial Statements

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Vermilion Parish School Board (the School Board), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of

accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the School Board, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 20 to the financial statements, in 2013 the Vermilion Parish School Board adopted the provisions of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and the other required supplementary information on pages 5 through 17 and 68 through 71, respectively, be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historic context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for the consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Board's financial statements. The other supplementary information on pages 75 through 105 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards (pages 111-112) is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards

generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements taken as a whole.

The other supplementary information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2013, on our consideration of the School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Board's internal control over financial reporting and compliance.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
December 4, 2013

REQUIRED SUPPLEMENTARY INFORMATION (RSI)

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2013

Management's Discussion and Analysis (MD&A) of the Vermilion Parish School Board's financial performance provides an overall review of the School Board's financial activities for the fiscal year ended June 30, 2013. The intent of this discussion and analysis is to look at the School Board's financial performance as a whole. The reader should read this discussion in conjunction with the financial statements and the notes to the basic financial statements, which are all included in this report, to enhance their understanding of the Vermilion Parish School Board's financial performance.

The MD&A is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board (GASB) Statement No. 34 (Statement). Certain comparative information between the current year (2012-13) and the prior year (2011-12) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

The Board completed the 2012-13 fiscal year in a better position in the General Fund than the previous 2011-12 fiscal year. An increase in Minimum Foundation Program (MFP) revenue, coupled with improved sales tax and ad valorem tax revenues enhanced the Fund's financial results for the 2012-13 fiscal year.

Construction is underway on a new middle school facility located on an existing campus in the northern portion of the parish. This complex is being funded primarily by a Community Development Block Grant intended to help with storm recovery after Hurricane Rita.

In spite of improved individual fund performance, the School Board's overall net position decreased by \$1.9 million from July 1, 2012 to June 30, 2013 as reported in the Statement of Activities on page 21. A major cause for this decrease in net position is the impact of implementing Governmental Accounting Standards Board (GASB) 45. As explained below, the Board's net Other Post Employment Benefits (OPEB) obligation increased by \$3.6 million during the 2012-13 fiscal year.

An analysis of the major revenue components is as follows:

Operating Grants – Operating and capital grants and contributions for the Vermilion Parish School Board were \$15.1 million for 2012-13. This is an increase of \$0.9 million from the previous 2011-12 fiscal year. This growth is the result of an increase in federal funding related to the Hurricane Rita recovery effort dedicated to the construction of the middle school complex located on the North Vermilion Middle School campus.

Minimum Foundation Program (MFP) – MFP is the funding formula from the state for school systems in Louisiana. The funding is based on a formula with many variables and two (2) basic levels of funding. Level one (1) funding is based on the number of students enrolled in the school system. Level two (2) funding is based on the dollar amount of local funding. The more local tax support received by a District, the more state support (MFP) we receive through level two funding. The School Board receives a percentage match in level two funding from the state for local contributions exceeding an established minimum amount. The unrestricted portion of the MFP funding was \$45.9 million during 2012-13 as compared to 45.7 million for 2011-12.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Management's Discussion and Analysis (Continued)
Fiscal Year Ended June 30, 2013

Ad Valorem Taxes – Ad valorem taxes collected for general and specific purposes was \$13.3 million for 2012-13 compared to \$12.5 million for the previous 2011-12 fiscal year.

Sales Taxes – Total sales tax collections for the Board's 1% General Fund levy and the ½% salaries and benefits levy were \$12.4 million during the 2012-13 fiscal year, compared to \$11.3 million the previous fiscal year.

Rentals, Leases and Royalties – 16th section revenues, which include oil and gas leases and royalties, as well as surface rentals, totaled \$4.6 million for the 2012-13 fiscal year compared to \$4.4 million for the 2011-12 fiscal year.

General – The other revenues of the School Board remained relatively stable when compared to prior years.

The expenses of the School Board, as reported in the Statement of Activities, were \$96.3 million in 2012-13. The major expense components are as follows:

Salaries and related benefits - Salaries and related benefits are the School Board's largest expense items. Salaries and related benefits account for \$73.7 million or 76.5% of total expenses. Salaries and related benefits for the prior fiscal year were \$74.6 million.

As of April 25, 2002, the Board established a partially self-funded health insurance program which is being administered by United HealthCare, a third party administrator. On May 1, 2013, the beginning of the last policy year, the premiums increased 10% for both employees and the Board. On May 1, 2012, the beginning of the previous policy year, the premiums were increased by 15%. The School Board's contribution to the health insurance program increased from \$7.2 million in 2011-12 to \$8.2 million in 2012-13.

Operation & Maintenance of Plant Services – The cost of maintaining parish facilities remained constant from \$8.2 million in 2011-12 to \$8.1 million in 2012-13.

Facilities Acquisition and Construction – The amount spent for facilities acquisition and construction changed from \$1.1 million in 2011-12 to \$0.8 million in 2012-13.

Debt Service Payments – The debt service activity remained relatively consistent with the previous year.

Capital Projects – The Capital Projects Fund is being used to account for the construction of a new Middle School complex on the North Vermilion High School campus. The expenditures in this fund increased from \$0.8 million in 2011-12 to \$1.6 million in 2012-13.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Management's Discussion and Analysis (Continued)
Fiscal Year Ended June 30, 2013

The impact of implementing GASB 45 is as follows:

OPEB Obligation – Effective with the 2008-09 fiscal year, the Board implemented Government Accounting Standards Board (GASB) Statement 45, which requires that the present value of the cost of retiree health insurance benefits be accrued over a 30 year period. The Net Other Post Employment Benefits (OPEB) obligation increased by \$3.6 million during the 2012-2013 fiscal year to a net OPEB obligation outstanding at the end of the fiscal year of \$18.0 million as reported in note 13 on page 60. The current year's growth in obligation has been recognized as expenditures in these financial statements and the total outstanding obligation has been recognized as a liability.

USING THIS FINANCIAL REPORT

This financial report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Vermilion Parish School Board as a whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and the Statement of Activities provide information about the activities of the School Board as a whole and present a longer-term view of the School Board's financial picture.

Also included in the financial statements are the Fund Financial Statements, which report on governmental activities of the School Board. These statements provide more detail than the government-wide financial statements about the services that were financed in the short-term as well as what remains for future spending in the School Board's more significant funds as well as all other non-major funds. The General Fund is Vermilion Parish School Board's most significant fund.

REPORTING THE SCHOOL BOARD AS A WHOLE

Statement of Net Position and the Statement of Activities

The Statement of Net Position and the Statement of Activities report information about the School Board as a whole and its activities in a way to try to inform the reader as to how the School Board did financially during the 2012-13 fiscal year.

In short, is the School Board better off financially or is it worse off financially than it was this time last year? These statements report all assets and liabilities of the School Board on the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting considers all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School Board's net position and the change in that position. This change in net position is important because it tells the reader that, for the School Board as a whole, the financial position of the School Board improved or declined. The causes of this change may be the result of many factors, some

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Management's Discussion and Analysis (Continued)
Fiscal Year Ended June 30, 2013

financial, some not. Non-financial factors affecting the School Board include the state of the oil and gas industry, the parish's sales and property tax bases and the state and federal government's continued funding.

The Board must include Other Post Employment Benefits (OPEB) liabilities in the Statement of Net Position as required by GASB Statement No. 45. These requirements are described in note 13 on page 60. The net effect of this reporting requirement is to include \$18.0 million in long-term liabilities on the Statement of Net Position.

The Statement of Net Position and the Statement of Activities report the governmental activities of the School Board. Most of the School Board's programs and services are reported here including instruction, support services, operating and maintenance of plant, student transportation, and child nutrition programs.

REPORTING THE SCHOOL BOARD'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The analysis of the School Board's major funds begins on page 23. Fund Financial Statements provide detailed information about the School Board's major funds. The School Board uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School Board's most significant funds. The School Board's only major governmental fund for the 2012-13 fiscal year is the General Fund.

The Vermilion Parish School Board's non-major governmental funds for the 2012-13 fiscal year are the 1998 and 1996 Ad Valorem Tax Funds, the Titles I, II and III Funds, the Education Excellence Fund, the IDEA Fund, the Pre-School Flow-Through Fund, the Federal and State Adult Education Funds, the School Lunch/Breakfast Fund, the TASC Fund, the Preschool LA-4 Fund, the 2009 Sales Tax Fund, the LASIG Fund, the School wide Positive Behavior Fund, the Preschool TANF Fund, the REAP Fund, the Carl Perkins Fund the JAG Fund, the CDBG Fund, the Math & Science Partnership Fund, the Coastal Parish Revitalization Fund, the Striving Readers Fund, the Debt Service Fund, the Capital Projects Fund and the Trust Fund.

Governmental Funds

Most of the School Board's activities are reported as governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental funds' statements provide a detailed short-term view of the School Board's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or difference) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Management's Discussion and Analysis (Continued)
Fiscal Year Ended June 30, 2013

Proprietary Funds

On April 25, 2002, the School Board established a partially self-insured group health insurance program. A separate internal service fund was created to accumulate funds designated for the payment of health care claims, insurance and associated costs of school system employees, retirees and their covered dependants. The School Board has procured insurance with both a specific and aggregate stop loss. Transactions related to meeting the claims incurred in these areas are accounted for in the Internal Service Proprietary Fund. Expenses in the Group Insurance Fund are recognized as claims are incurred. Liabilities are recognized for incurred but unpaid claims. The Internal Service Proprietary Fund transactions are reported on pages 29 through 30 in a separate section consisting of a Statement of Net Position; a Statement of Revenues, Expenses, and Changes in Net Position; and a Statement of Cash Flows.

THE SCHOOL BOARD AS TRUSTEE

Reporting the School Board's Fiduciary Responsibilities

The School Board is the trustee, or fiduciary, for its School Activity Fund and the Sales Tax Collection Fund. All of the School Board's fiduciary activities are reported in a separate Comparative Statement of Assets and Liabilities, accompanied by supporting schedules on pages 102 through 105. These activities have been excluded from the School Board's other financial statements because the School Board cannot use these assets to finance its operations. The School Board is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Non-Expendable Trust Fund

As explained in note 16 on page 64, the Vermilion Parish School Board established the Daniel R. Dartez Education Public Trust on June 11, 1996. The Trust was established using excess oil and gas revenues and was set-up to help meet the capital outlay needs of the School System. The Trust is administered by a board of trustees which consists of individuals charged with the responsibility of maintaining a high quality investment portfolio which maximizes income within acceptable levels of risk. The trustees operate independent of the School Board, but the trust earnings are dedicated to the School Board. The activities of the Trust Fund are reported in a separate Comparative Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance on pages 99 and 100.

The School Board as a Whole

The School Board's net position at June 30, 2013 was \$65.1 million, this included \$13.5 million of restricted net position. Restricted net position is reported separately to show legal constraints from trust and debt covenants and enabling legislation that limit the School Board's ability to use it for day-to-day operations. The following analysis focuses on the net position (Table 1) and change in net position (Table 2) of the School Board's governmental activities.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Management's Discussion and Analysis (Continued)
Fiscal Year Ended June 30, 2013

Table 1
Governmental Activities
Net Position
June 30, 2013
(In Millions)

(With Comparative Totals for June 30, 2012)

	Year Ended	
	June 30	
	2013	2012
Assets		
Current and other assets	\$ 46.3	\$ 45.9
Capital assets	57.4	58.5
Total assets	<u>\$ 103.7</u>	<u>\$ 104.4</u>
Liabilities		
Current and other liabilities	\$ 12.9	\$ 15.9
Long-term liabilities	25.7	21.5
Total liabilities	<u>\$ 38.6</u>	<u>\$ 37.4</u>
Net Position		
Invested in capital assets, net of debt	\$ 54.7	\$ 55.5
Restricted	13.5	12.2
Unrestricted	(3.1)	(0.7)
Total net position	<u>\$ 65.1</u>	<u>\$ 67.0</u>

The balance of \$(3.1) million in unrestricted net position, represents the accumulated results of all past years' operations.

The results of this year's operations for the School Board as a whole are reported in the Statement of Activities on page 21. Table 2 below reports the information from the Statement of Activities in a different format so that total revenues and expenses for the year can be more easily identifiable.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Management's Discussion and Analysis (Continued)
Fiscal Year Ended June 30, 2013

Table 2
Governmental Activities
Changes in Net Position
Fiscal Year Ended June 30, 2013
(In Millions)

(With Comparative Totals for June 30, 2012)

	Year Ended June 30	
	2013	2012
Revenues:		
Program revenues:		
Charges for services	\$ 0.9	\$ 0.8
Operating grants and contributions	13.6	14.2
Capital grants and contributions	1.5	0.0
General revenues:		
Ad valorem taxes	13.3	12.5
Sales taxes	12.4	11.3
State equalization	45.9	45.7
Rentals, leases and royalties	4.6	4.4
Other general revenues	<u>2.3</u>	<u>4.7</u>
Total revenues	<u>\$ 94.5</u>	<u>\$ 93.6</u>
Functions/Program Expenses:		
Instruction:		
Regular programs	\$ 38.0	\$ 37.8
Special education programs	9.5	10.2
Vocational programs	2.4	2.8
Other instructional programs	5.6	6.1
Support services:		
Pupil support services	5.7	6.1
Instructional staff support services	5.3	4.9
General administration	3.4	3.1
School administration	5.4	5.5
Business services	0.9	0.9
Plant services	8.0	8.2
Student transportation services	5.0	5.2
Central services	0.9	1.0
Food services	5.4	5.6

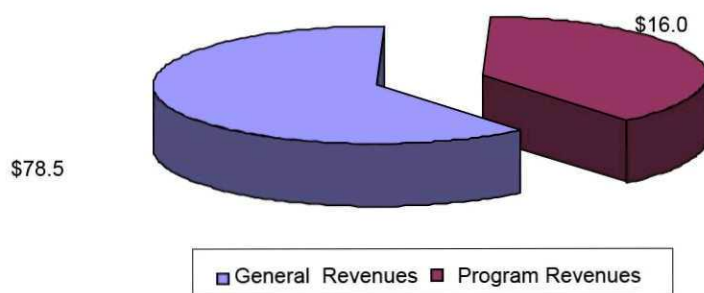
VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Management's Discussion and Analysis (Continued)
Fiscal Year Ended June 30, 2013

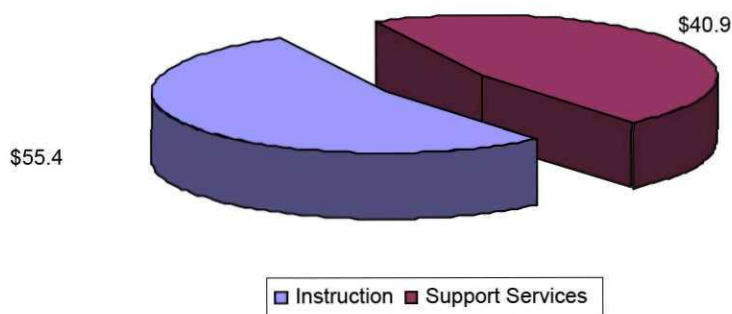
Facilities acquisition & construction	0.8	1.1
Community services programs	0.0	0.0
Debt service -		
Interest on long-term obligations	<u>0.0</u>	<u>0.1</u>
Total expenses	<u>\$ 96.3</u>	<u>\$ 98.6</u>
Change in net position	<u>\$ (1.9)</u>	<u>\$ (5.0)</u>

A summary of Vermilion Parish School Board's 2012-13 revenues and expenditures is presented below:

2012-13 Revenues
(in millions)



2012-13 Expenditures
(in millions)



VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Management's Discussion and Analysis (Continued)
Fiscal Year Ended June 30, 2013

Governmental Activities

As reported in the Statement of Activities on page 21, the net cost of governmental activities this year was \$80.3 million. The taxpayers in the parish provided \$25.7 million in ad valorem and sales tax revenues to help meet the total cost of governmental activities. The state contributed \$45.9 million through the Minimum Foundation Program (MFP), which is the main funding source for the School Board. The balance of the cost of governmental activities for the year was provided through state and Federal grants and from revenues from Board owned property.

The cost of governmental activities exceeding restricted state and Federal grants and charges for services must be paid by the citizens of Vermilion Parish and unrestricted state grants. The following presentation shows the portion of governmental activities that must be paid by the citizens of Vermilion Parish and unrestricted state grants.

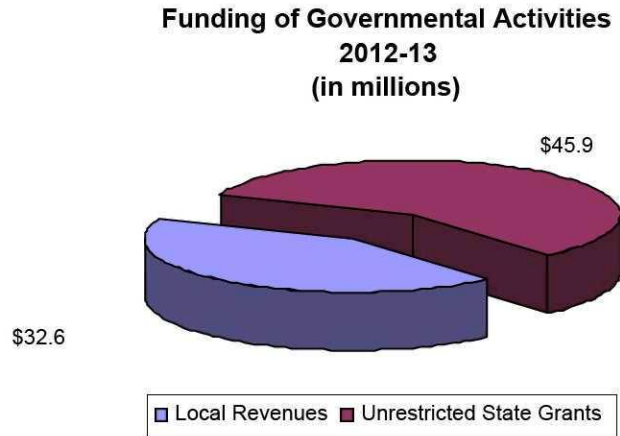


Table 3 presents the total cost of each of the School Board's five largest functions – regular programs, special education programs, pupil support services, plant services, and food services, as well as each program's net cost (total cost less revenues generated by the activities). Net cost shows the financial burden that was placed on the School Board's taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Management's Discussion and Analysis (Continued)
Fiscal Year Ended June 30, 2013

Table 3
Governmental Activities
Fiscal Year Ended June 30, 2013
(In Millions)

(With Comparative Totals for June 30, 2012)

	Total Cost of Services		Net Cost of Services	
	2013	2012	2013	2012
Regular programs	\$38.0	\$37.8	\$(36.5)	\$(37.0)
Special education programs	9.5	10.2	(8.1)	(8.4)
Pupil support services	5.7	6.1	(4.5)	(4.6)
Plant services	8.0	8.2	(8.0)	(8.2)
Food services	5.4	5.6	(0.4)	(0.6)
Subtotal	\$66.6	\$67.9	\$(57.5)	\$(58.8)
All others	29.7	30.7	(22.8)	(24.8)
Total	\$96.3	\$98.6	\$(80.3)	\$(83.6)

The School Board Funds

The School Board uses funds to help it control and manage money for particular purposes. Accounting for money for particular purposes in different funds helps the reader to determine whether the School Board is being accountable for the resources taxpayers and others provide to it and it may also give the reader more insight into the School Board's overall financial health.

Major Funds - The General Fund is the only major fund for the 2012-13 fiscal year. The General Fund's total fund balance at June 30, 2013 was \$17.6 million. The Board assigned \$2.0 million of the end of year fund balance.

The standard recommendation is to have at least 10% of the General Fund's budgeted expenditures in unassigned fund balance. However, because of the Board's reliance on oil and gas, a contingent source of revenue, the goal of Vermilion Parish School Board's management has been 15%.

Non-major Governmental Funds – The non-major funds' fund balances were generally stable with a small increase in their total fund balances.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Management's Discussion and Analysis (Continued)
Fiscal Year Ended June 30, 2013

General Fund Budgetary Highlights

The School Board, in accordance with state law, must adopt a budget on the General Fund and all Special Revenue Funds prior to September 15 of each year. In accordance with state law the School Board may have variances of 5 percent of total revenues or expenditures in a fund before it is legally required to amend the budget. The School Board adopted its 2012-13 budget on August 16, 2012, and revised the budget on June 20, 2013. In the revision, the total original General Fund budgeted revenues and other financing sources increased from \$67.2 million to \$68.3 million. The total budgeted General Fund expenditures and other financing uses increased from \$72.8 million to \$73.7 million.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Capital Assets of the School Board used in performance of general School Board functions are recorded in the Fund Financial Statements as expenditures when purchased. The amount represents the original cost of the assets. Depreciation of capital assets is not recognized in the Fund Financial Statements as explained in the notes to the basic financial statements. In the Government-wide Financial Statements the capital assets are recorded as assets at their original cost at the time of purchase or fair market value, if donated. Depreciation of capital assets has been recognized in the Government-wide Financial Statements.

At June 30, 2013 the School Board had \$57.4 million invested in land, buildings and improvements and furniture and equipment, net of depreciation. Net capital assets decreased \$1.1 million from the prior year. The decrease was generated by recognizing depreciation on the Board's capital assets. In accordance with State guidelines, beginning July 1, 2008, items costing less than \$5,000 are considered supplies. Table 4 presents capital assets net of depreciation at June 30, 2013.

Table 4
Governmental Activities
Capital Assets at Year-end
Net of Depreciation
June 30, 2013

(With Comparative Totals for June 30, 2012)

	<u>2013</u>	<u>2012</u>
Land	\$ 1,615,845	\$ 1,615,845
Construction in Progress	2,037,217	685,433
Buildings and improvements	50,579,868	53,117,247
Furniture and equipment	<u>3,182,915</u>	<u>3,102,361</u>
Total	<u>\$57,415,845</u>	<u>\$58,520,886</u>

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Management's Discussion and Analysis (Continued)
Fiscal Year Ended June 30, 2013

Debt

At June 30, 2013, the school board had \$2,645,000 in certificates of indebtedness outstanding. Of this amount outstanding, \$280,000 is due within one year. Table 5 summarizes bonds and certificates of indebtedness outstanding at June 30, 2013.

Table 5
Governmental Activities
Outstanding Debt
June 30, 2013

(With Comparative Totals for June 30, 2012)

	<u>2013</u>	<u>2012</u>
Certificates of Indebtedness:		
Series 2009 – Elementary School Cafeteria	\$ 905,000	\$ 1,035,000
Series 2011 – Refinance/Consolidate Debt	<u>1,740,000</u>	<u>1,885,000</u>
Total	<u>\$2,645,000</u>	<u>\$ 2,920,000</u>

The proceeds of the Series 2009 certificates of indebtedness were used to construct a cafeteria at Meaux Elementary School. The certificates will be paid out in 2019.

The proceeds of the Series 2011 certificates of indebtedness were used to refinance the outstanding obligation for the Series 2008 certificates of indebtedness and to add funding for a portion of the construction costs of the North Vermilion Middle School complex.

The state limits the amount of general obligation debt that school boards can issue to 25 percent of the assessed value of all taxable property within the School Board's corporate limits. At June 30, 2013, Vermilion Parish School Board's maximum legal debt limit was \$100,758,985. The District's outstanding general obligation bonded debt of \$2,645,000 is well below the maximum debt limit.

Other long-term obligations of the School Board include accrued vacation pay and sick leave and net Other Post Employment Benefits (OPEB). More detailed information about our long-term obligations is presented in note 7 to the basic financial statements.

FOR THE FUTURE

As we begin the 2013-14 fiscal year, management's main focus is to strive for new pathways for our students using technology. We will continue to analyze data to ensure that we are able to guide them to the best path to college and career using the best tools available.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Management's Discussion and Analysis (Continued)
Fiscal Year Ended June 30, 2013

We will continue to make every effort to stabilize our financial future. Extraordinary increases in required contributions to employee retirement systems, increases in contributions to employee group health insurance program and reductions in federal and state funding has created concerns for the upcoming fiscal years.

As the Educational System moves into the ensuing budget year, management will continue to monitor all expenditures and wherever possible, propose departmental restructuring, reconsider the necessity of vacant positions and monitor individual budget line items searching for possible additional adjustments.

The General Fund unassigned fund balance of \$15.5 million as of June 30, 2013 was 20.4% of the 2013-14 budgeted expenditures. In addition to this unassigned fund balance, the Board has assigned \$2.0 million to cover FEMA contingencies. An additional \$0.1 million is classified as non spendable because of inventories on hand.

As the System moves along this course, we will continue to exercise financial caution. It is important that we continue conducting the financial operations of the School System in a conservative and responsible manner.

Although the administration has concerns about recent financial matters, if we continue to operate in a fiscally conservative manner, we will be able to address all of those concerns. Management is committed to keeping the Vermilion Parish School System in a strong financial position.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School Board's finances and to show the School Board's accountability for the money it receives. If you have questions about this report or need additional financial information contact Phillip Sellers, Chief Financial Officer, Vermilion Parish School Board, P.O. Drawer 520, Abbeville, LA 70511-0520 or call at (337) 898-5705 or e-mail to psellers@vrml.k12.la.us.

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Statement of Net Position
Governmental Activities
June 30, 2013

ASSETS

Cash and interest-bearing deposits	\$ 28,813,416
Investments	12,084,038
Receivables	5,118,853
Inventory	284,852
Prepaid expense	1,305
Capital assets, net	<u>57,415,845</u>
Total assets	<u>103,718,309</u>

LIABILITIES

Accounts, salaries and other payables	12,678,075
Deferred revenue	207,585
Interest payable	30,736
Long-term liabilities	
Due within one year	280,000
Due in more than one year	<u>25,381,437</u>
Total liabilities	<u>38,577,833</u>

NET POSITION

Net investment in capital assets	54,740,109
Restricted for:	
Trust principal	13,473,849
Debt service	65,301
Unrestricted	<u>(3,138,783)</u>
Total net position	<u>\$ 65,140,476</u>

The accompanying notes are an integral part of the basic financial statements.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Statement of Activities
For the Year Ended June 30, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
Governmental Activities					
Governmental activities:					
Instruction:					
Regular programs	\$ 37,982,143	\$ -	\$ 1,511,494	\$ -	\$ (36,470,649)
Special education programs	9,457,526	97,479	1,215,616	-	(8,144,431)
Vocational education programs	2,355,849	-	163,500	-	(2,192,349)
Other instructional programs	1,720,132	-	209,387	-	(1,510,745)
Special programs	3,858,649	-	3,050,828	-	(807,821)
Adult and continuing education programs	1,557	-	1,419	-	(138)
Support services:					
Pupil support services	5,691,491	-	1,238,473	-	(4,453,018)
Instructional staff support services	5,278,548	-	1,552,509	-	(3,726,039)
General administration	3,393,773	-	137,555	-	(3,256,218)
School administration	5,376,147	-	-	-	(5,376,147)
Business services	839,266	-	17,335	-	(821,931)
Operation and maintenance of plant services	8,050,759	-	44,786	-	(8,005,973)
Student transportation services	5,008,906	-	8,788	-	(5,000,118)
Central services	932,372	-	49,584	-	(882,788)
Non-instructional services:					
Food services	5,428,249	764,780	4,255,695	-	(407,774)
Community service programs	48,275	-	-	-	(48,275)
Facilities acquisition and construction	780,956	-	170,907	1,502,052	892,003
Interest on long-term debt	79,909	-	-	-	(79,909)
Total governmental activities	\$ 96,284,507	\$ 862,259	\$ 13,627,876	\$ 1,502,052	(80,292,320)
Taxes:					
Ad valorem taxes, levied for general purposes					1,872,491
Ad valorem taxes, levied for special purposes					11,392,856
Sales and use taxes, levied for general purposes					12,408,380
State revenue sharing					146,715
Grants and contributions not restricted to specific programs:					
State source - Minimum Foundation Program					45,857,420
State source - PIPS					51,367
Interest and investment earnings					867,074
Rentals, leases and royalties					4,639,409
Miscellaneous					1,224,457
Gain on disposal of capital assets					10,207
Transfer to other LEAs					(50,968)
Total general revenues					78,419,408
Change in net position					(1,872,912)
Net position - July 1, 2012					67,013,388
Net position - June 30, 2013					\$ 65,140,476

The accompanying notes are an integral part of the basic financial statements.

FUND FINANCIAL STATEMENTS (FFS)

MAJOR FUNDS DESCRIPTIONS

General Fund

The General fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Balance Sheet
Governmental Funds
June 30, 2013

	<u>General</u>	<u>Other Governmental</u>	<u>Total</u>
ASSETS			
Cash and interest-bearing deposits	\$23,789,188	\$ 3,881,779	\$27,670,967
Investments	-	12,084,038	12,084,038
Receivables	877,393	4,124,440	5,001,833
Due from other funds	2,436,646	-	2,436,646
Inventory	137,899	146,953	284,852
Accrued interest receivable	29,711	87,309	117,020
Prepaid expenses	1,305	-	1,305
Total assets	<u>\$27,272,142</u>	<u>\$20,324,519</u>	<u>\$47,596,661</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 379,553	\$ 718,274	\$ 1,097,827
Accrued salaries payable	9,074,297	1,562,825	10,637,122
Retainage payable	-	75,006	75,006
Due to other funds	-	2,436,646	2,436,646
Deferred revenue	207,585	-	207,585
Total liabilities	<u>9,661,435</u>	<u>4,792,751</u>	<u>14,454,186</u>
Fund balances:			
Nonspendable	139,204	12,573,146	12,712,350
Restricted	-	2,958,622	2,958,622
Assigned	2,000,000	-	2,000,000
Unassigned	15,471,503	-	15,471,503
Total fund balances	<u>17,610,707</u>	<u>15,531,768</u>	<u>33,142,475</u>
Total liabilities and fund balances	<u>\$27,272,142</u>	<u>\$20,324,519</u>	<u>\$47,596,661</u>

The accompanying notes are an integral part of the basic financial statements.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2013

Total fund balances for governmental funds at June 30, 2013		\$ 33,142,475
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	\$ 1,615,845	
Construction in progress	2,037,217	
Building, net of \$43,657,209 accumulated depreciation	28,411,804	
Improvement, net of \$24,471,280 accumulated depreciation	22,168,064	
Vehicles, net of \$4,563,430 accumulated depreciation	2,749,641	
Equipment, net of \$2,230,410 accumulated depreciation	<u>433,274</u>	57,415,845
Elimination of interfund assets and liabilities:		
Due from other funds	2,436,646	
Due to other funds	<u>(2,436,646)</u>	-
Long-term liabilities at June 30, 2013:		
Bonds payable	(2,645,000)	
Compensated absences payable	(5,043,976)	
Net OPEB obligation payable	(17,972,461)	
Accrued interest payable	<u>(30,736)</u>	(25,692,173)
Assets and liabilities of Self - Insurance Internal Service		<u>274,329</u>
Net position at June 30, 2013		<u>\$ 65,140,476</u>

The accompanying notes are an integral part of the basic financial statements.

VERMILION PARISH SCHOOL BOARD

Abbeville, Louisiana

Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances

For the Year Ended June 30, 2013

	General	Other Governmental	Total
Revenues			
Local sources:			
Ad valorem taxes	\$ 1,872,491	\$ 11,392,856	\$ 13,265,347
Sales taxes	8,415,364	3,993,016	12,408,380
Food services	-	764,780	764,780
Other	6,078,874	814,262	6,893,136
Total local sources	16,366,729	16,964,914	33,331,643
State sources	46,276,724	1,216,284	47,493,008
Federal sources	170,907	13,161,630	13,332,537
Other commodities	-	295,171	295,171
Total revenues	62,814,360	31,637,999	94,452,359
Expenditures			
Current:			
Instruction -			
Regular programs	32,381,044	2,511,843	34,892,887
Special education programs	7,452,927	1,223,363	8,676,290
Vocational education programs	1,998,516	167,306	2,165,822
Other instructional programs	1,566,005	-	1,566,005
Special programs	306,895	3,233,646	3,540,541
Adult and continuing education programs	-	1,419	1,419
Support services -			
Pupil support services	3,965,574	1,239,607	5,205,181
Instructional staff support services	3,280,997	1,561,469	4,842,466
General administration	2,681,827	528,441	3,210,268
School administration	4,919,146	-	4,919,146
Business services	755,347	17,335	772,682
Operation and maintenance of plant services	7,518,297	143,710	7,662,007
Student transportation services	4,631,140	625,468	5,256,608
Central services	805,710	49,584	855,294
Non-instructional services -			
Food services	-	5,096,195	5,096,195
Community service programs	46,436	-	46,436
Facilities acquisition and construction	382,697	2,132,217	2,514,914
Debt service:			
Principal retirement	-	275,000	275,000
Interest and fiscal charges	-	82,703	82,703
Legal and technical fees	-	550	550
Total expenditures	72,692,558	18,889,856	91,582,414
Excess (deficiency) of revenues over expenditures	(9,878,198)	12,748,143	2,869,945

(continued)

VERMILION PARISH SCHOOL BOARD

Abbeville, Louisiana

Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)

For the Year Ended June 30, 2013

	General	Other Governmental	Total
Other financing sources (uses):			
Proceeds from sale of capital assets	15,872	-	15,872
Transfer to other LEAs	(50,968)	-	(50,968)
Transfers in	11,544,969	914,816	12,459,785
Transfers out	-	(12,459,785)	(12,459,785)
Total other financing sources (uses)	11,509,873	(11,544,969)	(35,096)
Net change in fund balances	1,631,675	1,203,174	2,834,849
Fund balances, beginning	15,979,032	14,328,594	30,307,626
Fund balances, ending	<u>\$ 17,610,707</u>	<u>\$ 15,531,768</u>	<u>\$ 33,142,475</u>

The accompanying notes are an integral part of the basic financial statements.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2013

Total net change in fund balances for the year ended June 30, 2013 per Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 2,834,849
Add: Facilities acquisition and construction costs which are considered as expenditures on Statement of Revenues, Expenditures and Changes in Fund Balance	\$ 2,516,018
Less: Depreciation expense for year ended June 30, 2013	<u>(3,615,394)</u> (1,099,376)
Add: Bond principal retirement considered as an expenditure on Statement of Revenues, Expenditures and Changes in Fund Balance	275,000
Less: Compensated absences accumulated for year ended June 30, 2013	(755,403)
Add: Difference between interest on long-term debt on modified accrual basis versus interest on long-term debt on accrual basis	3,344
Add: Net income of the Self - Insurance Internal Service Fund	516,969
Less: Increase in net OPEB obligation at June 30, 2013	(3,642,630)
Less: Proceeds from sale of assets	(15,872)
Add: Gains are not presented in this financial statement because they do not provide or use current financial resources, but they are presented in the statement of activities	<u>10,207</u>
Total change in net position for the year ended June 30, 2013 per Statement of Activities	<u>\$ (1,872,912)</u>

The accompanying notes are an integral part of the basic financial statements.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Proprietary Fund
Governmental Activities - Group Insurance Fund
Statement of Net Position
June 30, 2013

ASSETS

Current assets:

Cash and interest-bearing deposits	\$ 1,142,448
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LIABILITIES

Current liabilities:

Accounts payable	3,994
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Claims payable	864,125
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Total current liabilities	868,119
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NET POSITION

Net position:

Unrestricted	\$ 274,329
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The accompanying notes are an integral part of the basic financial statements.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Proprietary Fund
Governmental Activities - Group Insurance Fund
Statement of Revenues, Expenses and Changes in Fund Net Position
Year Ended June 30, 2013

Operating revenue:	
Premiums	\$ 13,600,016
Other	<u>587,517</u>
Total operating revenue	<u>14,187,533</u>
Operating expenses:	
Administration	843,918
Insurance	1,356,361
Claims	11,384,461
Central services	<u>91,797</u>
Total operating expenses	<u>13,676,537</u>
Operating income	510,996
Nonoperating revenue:	
Interest earned on interest-bearing deposits	<u>5,973</u>
Change in net position	516,969
Net position, beginning	<u>(242,640)</u>
Net position, ending	<u>\$ 274,329</u>

The accompanying notes are an integral part of the basic financial statements.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Proprietary Fund
Governmental Activities - Group Self Insurance
Statement of Cash Flows
Year Ended June 30, 2013

Cash flows from operating activities:	
Receipts from participants	\$ 13,600,016
Payments to suppliers	(14,554,340)
Other receipts	<u>587,517</u>
Net cash used by operating activities	<u>(366,807)</u>
Cash flows from investing activities:	
Purchase of interest-bearing deposits with maturity in excess of ninety days	(1,000,000)
Proceeds from interest-bearing deposits with maturity in excess of ninety days	1,000,000
Interest income	<u>7,717</u>
Net cash provided by investing activities	<u>7,717</u>
Net decrease in cash and interest bearing deposits	(359,090)
Cash and cash equivalents, beginning of period	<u>501,538</u>
Cash and cash equivalents, end of period	<u>\$ 142,448</u>

(continued)

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Proprietary Fund
Governmental Activities - Group Self Insurance
Statement of Cash Flows (Continued)
Year Ended June 30, 2013

Reconciliation of operating income to net cash used by operating activities:

Operating income	\$ 510,996
Adjustments to reconcile operating income to net cash used by operating activities:	
Changes in current assets and liabilities:	
Decrease in accounts payable	(561)
Decrease in claims payable	<u>(877,242)</u>
Net cash used by operating activities	<u>\$ (366,807)</u>

Reconciliation of cash and interest-bearing deposits per statement of cash flows to the balance sheet:

Cash and interest bearing deposits, beginning of period -	
Cash and interest-bearing deposits	\$ 1,501,538
Less: Interest-bearing deposits with a maturity in excess of ninety days	<u>(1,000,000)</u>
Total cash and cash equivalents, beginning of period	<u>501,538</u>
Cash and interest bearing deposits, end of period -	
Cash and interest-bearing deposits	1,142,448
Less: Interest-bearing deposits with a maturity in excess of ninety days	<u>(1,000,000)</u>
Total cash and cash equivalents, ending of period	<u>142,448</u>
Net decrease	<u>\$ (359,090)</u>

The accompanying notes are an integral part of the basic financial statements.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Statement of Fiduciary Net Position
June 30, 2013

ASSETS

Cash and interest bearing deposits	<u>\$4,458,713</u>
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LIABILITIES

Due to other governmental units	\$2,457,353
Deposits due others	<u>2,001,360</u>
Total liabilities	<u>\$4,458,713</u>

The accompanying notes are an integral part of the basic financial statements.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the Vermilion Parish School Board (School Board) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. Financial Reporting Entity

The School Board was created by Louisiana Revised Statute (LRS-R.S.) 17:51 to provide public education for the children within Vermilion Parish. The School Board is authorized by LRS-R.S. 17:81 to establish policies and regulations for its own government consistent with the laws of the State of Louisiana and the regulations of the Louisiana Board of Elementary and Secondary Education. The School Board is comprised of eight members who are elected from eight districts for terms of four years.

The School Board operates 19 schools within the parish with a total enrollment of 9,550 pupils. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

For financial reporting purposes, the School Board includes all funds and activities for which the School Board exercises financial accountability. Because the School Board members are independently elected and are solely accountable for fiscal matters, which include (1) budget authority, (2) responsibility for funding deficits and operating deficiencies, and (3) fiscal management for controlling the collection and disbursement of funds, the School Board is a separate governmental reporting entity, primary government.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net position and the statement of activities display information about the School Board, the primary government, as a whole. They include all funds of the reporting entity, which are considered to be governmental activities. The School Board's internal service fund is a governmental activity. Internal service fund activity is eliminated to avoid "doubling up" revenues and expenses.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

The statement of activities presents a comparison between direct expenses and program revenues for each function of the School Board's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

The accounts of the School Board are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. Fund financial statements report detailed information about the School Board.

The various funds of the School Board are classified into three categories: governmental, and proprietary, and fiduciary. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the School Board or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The School Board reports the following major governmental fund:

The General Fund is the general operating fund of the School Board. It accounts for all financial resources except those required to be accounted for in other funds.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

Additionally, the School Board reports the following fund types:

Special Revenue Funds

Special revenue funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. These funds account for the revenues and expenditures related to federal, state and local grant and entitlement programs.

Debt Service Funds

Debt service funds, established to meet requirements of bond ordinances, are used to account for the accumulation of resources for and the payment of general long-term debt principal, interest, and related costs.

Capital Project Fund

Capital Projects Fund is used to account for capital asset acquisition, construction, and improvements of public school facilities and is currently funded by grant proceeds from the Community Development Block Grant (CDBG) which is being used for constructing a new Middle School complex on the North Vermilion High School campus.

Proprietary Funds -

Proprietary funds are used to account for ongoing organizations and activities that are similar to those often found in the private sector. The measurement focus is based upon determination of net income, financial position, and cash flows. The following is the School Board's proprietary fund type:

Internal Service Fund

The Internal Service Fund is used to account for the accumulation of resources for and the payment of benefits by the School Board's group self-insurance program.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues are derived from contributions made from the employer and employees. These revenues are planned to match: (1) expenses of insurance premiums in excess of self-insurance amounts; (2) actual claims and estimated liabilities for claims incurred but not yet reported at year-end and (3) operating expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

Fiduciary Funds -

Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of other funds within the School Board. The funds accounted for in this category by the School Board are the agency funds. The agency funds are as follows:

School Activity Fund – accounts for assets held by the School Board as an agent for the individual schools and school organizations.

Sales Tax Collection Fund – accounts for monies collected on behalf of other taxing authorities within the parish.

Permanent Funds -

Permanent funds are used to account for resources that are legally restricted to the extent that only earnings and not principal, may be used for purposes that support the School Board's programs.

C. Measurement Focus/ Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net position and the statement of activities, the governmental activities are presented using the economic resources measurement focus as defined in item b. below. In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary (internal service) fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

Basis of Accounting

In the government-wide statement of net position and statement of activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized in accordance with the requirements of GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions.

Program revenues

Program revenues included in the Statement of Activities are derived directly from the program itself or from parties outside the School Board's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the School Board's general revenues.

Allocation of indirect expenses

The School Board reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions, but are reported separately in the Statement of Activities. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means being collectible within the current period or within 60 days after year-end. Expenditures (including facilities acquisition and construction) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Federal and state entitlements (unrestricted grants-in-aid, which include state equalization and state revenue sharing) are recorded when available and measurable. Expenditure-driven federal and state grants, which are restricted as to the purpose of the expenditures, are recorded when the reimbursable expenditures have been incurred.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

Ad valorem taxes are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed in November, by the Parish Assessor, based on the assessed value and become due on December 31 of each year. The taxes become delinquent on January 1. An enforceable lien attaches to the property as of January 1. The taxes are generally collected in December, January, and February of the fiscal year. Property tax revenues are accrued at fiscal year-end to the extent that they have been collected but not received by the Vermilion Parish Tax Collector's Office. Such amounts are measurable and available to finance current operations.

Interest income on time deposits and revenues from rentals, leases, and royalties are recorded when earned.

Sales and use tax revenues are recorded in the month collected by the School Board.

Substantially all other revenues are recorded when received.

Expenditures

Salaries are recorded as expenditures when incurred. Nine-month employee salaries are incurred over a nine-month period but paid over a twelve-month period.

Compensated absences are recognized as expenditures when leave is actually taken or when employees (or heirs) are paid for accrued leave upon retirement or death.

Commitments under construction contracts are recognized as expenditures when earned by the contractor.

Principal and interest on general long-term obligations are not recognized until due.

All other expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

The proprietary fund utilizes the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sales of capital assets, debt extinguishments, long-term debt proceeds, et cetera) are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

Deferred Revenues

Deferred revenues arise when resources are received before the School Board has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures or when tuition is received in advance of the commencement of classes.

In subsequent periods, when the School Board has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and the revenue is recognized. Recognition of revenue from ad valorem tax collections has been deferred in instances where the School Board has been advised by the tax collecting authority that certain amounts have been paid in protest. Recognition of revenue from minor federal and state grant advances has been deferred to the next fiscal year to allow proper matching of revenues and expenditures.

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Equity

Cash and interest bearing deposits

For purposes of the Statement of Net Position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the School Board. For the purpose of the proprietary fund statement of cash flows, "cash and interest bearing deposits" include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less when purchased.

Investments

Trust fund investments are stated at fair value in accordance with GASB 31. Fair value is defined as the amount at which a financial instrument could be exchanged in a current asset transaction between willing parties. Fair value was determined based on quoted market prices.

Interfund receivables and payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include ad valorem taxes, sales and use taxes, and federal and state grants.

Inventories

The cost of inventories is recorded as expenditures when consumed rather than when purchased. Reserves are established for an amount equal to the carrying value of inventories.

Inventory of the General Fund consists of instructional supplies maintained in the central warehouse for use of all schools and janitorial and electrical supplies maintained in the central warehouse for the use of all departments and schools. All inventory purchased are valued at cost (first-in, first-out).

Inventory of the School Lunch/Breakfast Special Revenue Fund consists of food purchased by the School Board and commodities granted by the United States Department of Agriculture through the Louisiana Department of Agriculture and Forestry. The commodities are recorded as revenues and expenditures when consumed. All inventory items purchased are valued at cost (first-in, first-out), and donated commodities are assigned values based on information provided by the United States Department of Agriculture.

Capital Assets

The accounting treatment over property, plant and equipment (capital assets) depends on whether they are reported in the government-wide or fund financial statements.

In the government-wide financial statements, capital assets are capitalized at historical cost, or estimated historical cost if actual is unavailable, except for donated assets, which are recorded at their estimated fair value at the date of donation. The School Board maintains a threshold level of \$5,000 or more for capitalizing capital assets.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful life using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings and improvements	10 - 40 years
Furniture and equipment	5 - 15 years

VERMILION PARISH SCHOOL BOARD
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Notes to Basic Financial Statements (Continued)

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

In the fund financial statements, capital assets used in governmental fund operations are accounted for as facilities acquisition and construction expenditures of the governmental fund upon acquisition.

The School Board does not possess any material amounts of infrastructure capital assets, such as sidewalks and parking lots. Amounts expended for such items prior to June 30, 2003 were considered to be part of the cost of buildings and improvements. In the future, if such items are built or constructed, and appear to be material in cost compared to all capital assets, they will be capitalized and depreciated over their estimated useful lives as with all other depreciable capital assets.

Compensated Absences

All 12-month employees earn from 12 to 18 days vacation leave each year, depending on their length of service with the School Board. Annual leave earned after June 30, 2002, will be accrued to a maximum of forty (40) days. Annual leave earned prior to June 30, 2002 is not subject to this limitation and will be available in full for use by employees. Leave accrued prior to June 30, 2002, may not be used until leave accrued subsequent to that date has been fully exhausted. Employees may only use 18 consecutive days if approved by the superintendent. Upon retirement or termination of employment, the employee may choose to be paid for any unused accumulated annual leave at the employee's daily rate of pay or may convert such unused accumulated annual leave to service credit for retirement purposes if allowed by the retirement system.

All employees earn from 10 to 13 days of sick leave each year, depending on the number of months of the school year they are employed by the School Board. Sick leave may be accumulated. Upon death or retirement, unused accumulated sick leave of up to 25 days is paid to employees (or heirs) at the employee's current rate of pay. Under the Louisiana Teachers' Retirement System, the total unused accumulated sick leave, including the 25 days paid, is used in the retirement benefit computation as earned service for leave earned prior to July 1, 1988. For sick leave earned after July 1, 1988, under the Louisiana Teachers' Retirement system and for sick leave earned under the Louisiana School Employees Retirement System all unpaid sick leave, which excludes the 25 days paid, is used in the retirement benefit computation as earned service. Employees are not compensated for unused sick leave upon resignation. However, employees who resign from Vermilion Parish School Board and begin employment in another district may transfer unused sick leave to the new district. In cases of layoffs and callbacks, employees are credited with unused sick leave balances at the time they are reinstated to service.

VERMILION PARISH SCHOOL BOARD
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Notes to Basic Financial Statements (Continued)

Act 1341 of 1999 changed the extended sick leave (gayle pay) regulations for public school employees. The Act provides that if teachers and school bus operators have no remaining sick leave, they are allowed up to 90 days extended sick leave in a six year period. During these 90 days, the employee is paid 65% of their pay at the time that the leave begins. The School Board has adopted portions of Act 788 effective July 1, 2012, which redefines how school employees can qualify for extended sick leave.

Act 1342 of 1999 changed the sabbatical leave regulation. The Act allows both sabbatical medical leave and professional and cultural development sabbatical for teachers. It provides for two sabbatical semesters immediately following twelve or more consecutive semesters of consecutive service or one semester immediately following six semesters of consecutive service. Sabbatical medical leave may be granted if the teacher's regular sick leave balance is twenty-five days or less at the beginning of the sabbatical. No more than 5% of the work force can be on sabbatical at the same time. During sabbatical, the employee is paid 65% of their pay at the time the leave begins.

The cost of current leave privileges is recognized as a current-year expenditure in the governmental funds when leave is actually taken. The cost of leave privileges not requiring current resources is recorded the general fund.

Long-term debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements. Since the School Board's only Proprietary Fund is the Self-Insurance Internal Service Fund, which has no long-term debt, all School Board long-term debt is used in governmental fund operations.

All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide statements. The long-term debt consists primarily of general obligation bonds and certificates of indebtedness. For government-wide reporting, the costs associated with the bonds are recognized over the life of the bond. As permitted by GASB Statement No. 34, the amortization of the costs of bonds will be amortized prospectively from the date of adoption of GASB Statement No. 34.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources net of the applicable premium or discount and payment of principal and interest reported as expenditures. For fund financial reporting, issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

VERMILION PARISH SCHOOL BOARD
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Notes to Basic Financial Statements (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

Equity Classifications

In the government-wide statements, net position is displayed in three components:

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net assets reduced by liabilities and deferred inflows of resources related to those assets. Constraints may be placed on the use, either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. At June 30, 2013, the School Board reported \$13,539,150 of restricted net assets, which is restricted by debt covenants or enabling legislation.
- c. Unrestricted net assets – Net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in either of the other two categories of net position.

In the fund statements, governmental fund equity is classified as fund balance. Proprietary fund equity is classified the same as in the government-wide statements.

Fund balances of the governmental funds are classified as follows:

Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that

VERMILION PARISH SCHOOL BOARD
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Notes to Basic Financial Statements (Continued)

are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes determined by a formal action of the School Board members. The Board is the highest level of decision-making authority for the School Board office. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by Board members.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the School Board's adopted policy, only Board members or the Board's finance committee may assign amounts for specific purposes.

Unassigned – all other spendable amounts.

As of June 30, 2013, fund balances are composed of the following:

	General	Nonmajor Funds	Total Governmental Funds
Nonspendable:			
Prepaid items	\$ 1,305	\$ -	\$ 1,305
Inventory	137,899	146,953	284,852
Nonexpendable trust	-	12,426,193	12,426,193
Restricted:			
Debt service	-	65,301	65,301
Special revenue funds	-	2,835,260	2,835,260
Capital projects	-	58,061	58,061
Assigned:			
FEMA contingencies	2,000,000	-	2,000,000
Unassigned	<u>15,471,503</u>	<u>-</u>	<u>15,471,503</u>
Total fund balances	<u>\$17,610,707</u>	<u>\$ 15,531,768</u>	<u>\$ 33,142,475</u>

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the School Board considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the School Board considers amounts to have been spent first out of committed funds, then assigned funds, and

VERMILION PARISH SCHOOL BOARD
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Notes to Basic Financial Statements (Continued)

finally unassigned funds, as needed, unless Board members or the finance committee has provided otherwise in its commitment or assignment actions.

E. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation; is not employed by the School Board.

F. Revenue Restrictions

The School Board has various restrictions placed over certain revenue sources from state or local requirements. The primary restricted revenue sources include:

<u>Revenue Source</u>	<u>Legal Restrictions on Use</u>
Ad valorem taxes	See Note 3
Sales taxes	See Note 8

The School Board uses unrestricted resources only when restricted resources are fully depleted.

G. Capitalization of Interest Expense

It is the policy of the School Board to capitalize material amounts of interest resulting from borrowings in the course of the construction of capital assets. At June 30, 2013, there were no borrowings for assets under construction and no capitalized interest expense was recorded on the books.

H. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

(2) Cash and Investments

A. Cash and Interest-Bearing Deposits

Under state law, the School Board may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The School Board may invest in direct

VERMILION PARISH SCHOOL BOARD
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Notes to Basic Financial Statements (Continued)

obligations of the United States government, bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies and/or the United States government, and time certificates of deposit of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2013, the School Board has cash and interest-bearing deposits (book balances) totaling \$33,272,129 as follows:

	Governmental Activities	Fiduciary Funds	Total
Demand deposits	\$ 20,801,129	\$ 2,798,924	\$ 23,600,053
Interest-bearing accounts	12,187	1,590,093	1,602,280
Time Deposits	8,000,000	69,696	8,069,696
Petty cash	100	-	100
Total	<u>\$ 28,813,416</u>	<u>\$ 4,458,713</u>	<u>\$ 33,272,129</u>

These deposits are stated at cost, which approximates market. Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the School Board's deposits may not be recovered or will not be able to recover the collateral securities that are in the possession of an outside party. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the pledging financial institution. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the financial institution. These securities are held in the name of the pledging financial institution in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 2013, are secured as follows:

Bank balances	<u>\$ 32,889,271</u>
Insurance	616,011
Uninsured and collateral held by the pledging bank not in the School Board's name	<u>32,273,260</u>
Total	<u>\$ 32,889,271</u>

VERMILION PARISH SCHOOL BOARD
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Notes to Basic Financial Statements (Continued)

B. Investments

At June 30, 2013, the School Board's investments (book balance) totaled \$12,084,038. The carrying amounts and approximate market values of investments at June 30, 2013 are summarized as follows:

Description	Interest Rate	Cost	Unrealized Gain/ (Loss)	Reported Amount/ Market Value
Trust fund -				
U.S. Treasury note	4.25%	\$ 424,175	8,437	\$ 432,612
FNMA	4.375% -			
obligations	5.50%	19,302	801	20,103
GNMA	6.50% -			
obligations	8.00%	59,053	8,034	67,087
Other government	5.05% -			
debt obligations	5.13%	576,415	51,981	628,396
Other non-government	3.625% -			
debt obligations	7.900%	6,205,937	349,180	6,555,117
Foreign Obligations	3.25-5.125%	462,435	18,839	481,274
Treasury & U.S. SECS	N/A	330,565	(10,584)	319,981
Equity securities	N/A	3,365,205	214,263	3,579,468
Total investments		<u>\$ 11,443,087</u>	<u>\$ 640,951</u>	<u>\$ 12,084,038</u>

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The School Board's investment policy limits the average effective maturity of the bond portfolio to 10 years and the average duration of the portfolio to 8 years as a means of managing its exposure to fair value losses arising from increasing interest rates. Information about the exposure of the School Board's debt type investments to this risk, using the segmented time distribution model is as follows:

VERMILION PARISH SCHOOL BOARD
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Notes to Basic Financial Statements (Continued)

Description	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Over 10
Trust fund -					
U.S. Treasury note	\$ 432,612	\$ -	\$ 432,612	\$ -	\$ -
FNMA obligations	20,103	-	-	20,103	-
GNMA obligations	67,087	26	-	-	67,061
Other government debt obligations	628,396	-	628,396	-	-
Other non-government debt obligations	6,555,117	2,211,605	2,709,128	1,634,384	-
Foreign Obligations	481,274	-	315,330	165,944	-
Treasury & U.S. SECS	319,981	319,981	-	-	-
Equity securities	3,579,468	3,579,468	-	-	-
Total investments	<u>\$12,084,038</u>	<u>\$6,111,080</u>	<u>\$4,085,466</u>	<u>\$1,820,431</u>	<u>\$ 67,061</u>

Credit risk is managed by restricting investments to those authorized by R.S. 33:2955. Credit risk ratings for the School Board's investments are as follows:

Ratings by Standard & Poor's	Other Government Debt Obligations	Other Non Government Debt Obligations	Foreign Obligations	Total Fair Value
AA	\$ 628,396	\$ 388,186	\$ 211,110	\$1,227,692
A	-	3,254,339	270,164	3,524,503
BBB	-	482,497	-	482,497
Not Available	-	218,490	-	218,490
Not rated	-	2,211,605	-	2,211,605
	<u>\$ 628,396</u>	<u>\$6,555,117</u>	<u>\$ 481,274</u>	<u>\$7,664,787</u>

Concentration of credit risk: The School Board's investment policy limits its holdings to no more than 5 percent of the market value of the portfolio to be invested in any one issuer. There is no limit on U.S. Government and Agency holdings, with the exception of the non-insured Agency securities, such as the Federal National Mortgage Association (FNMA), which is governed by the 5 percent guideline. At June 30, 2013, no more than 5 percent of the investments were investments in any single issue.

VERMILION PARISH SCHOOL BOARD
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Notes to Basic Financial Statements (Continued)

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the School Board will not be able to recover the value of its investment or collateral securities that are in the possession of another party. At June 30, 2013, the School Board held investments of \$12,084,038 of which the underlying securities are held by the counterparty's trust department, not in the School Board's name.

(3) Ad Valorem Taxes

The following ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. During the fiscal year ended June 30, 2013, taxes were levied by the School Board in July 2012 and were billed to taxpayers by the Assessor in November. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year.

The taxes are based on assessed values determined by the Tax Assessor of Vermilion Parish and are collected by the Sheriff. The taxes are remitted to the School Board net of deductions for Pension Fund contributions.

For the year ended June 30, 2013, taxes were levied on property with net assessed valuations totaling \$403,035,940 and were dedicated as follows:

Parishwide Taxes:

School employee salary and benefit tax (1998)	25.00 mills
Special school maintenance and operational tax (1996)	2.00 mills
Special school improvement tax (1996)	5.00 mills
School operations tax (1996)	<u>3.00 mills</u>
Total Special Revenue Funds	35.00 mills
School maintenance and operational tax (General Fund)	<u>4.65 mills</u>
Total assessment	<u>39.65 mills</u>

Gross taxes levied for the current fiscal year, net of homestead exemptions, totaled \$12,331,368. Before deductions for various pension distributions and after collections of back taxes, taxes remitted to the School Board amounted to \$12,230,599.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

(4) Receivables

Receivables at June 30, 2013 of \$5,118,853 consisted of the following:

	Grants			Accrued	
	Federal	State	Accounts	interest	Totals
General Fund	\$ -	\$ 705,733	\$ 171,660	\$ 29,711	\$ 907,104
Special Revenue Funds	3,174,234	-	-	-	3,174,234
Capital Projects Fund	950,206	-	-	-	950,206
Permanent Fund	-	-	-	87,309	87,309
Total receivables	<u>\$ 4,124,440</u>	<u>\$ 705,733</u>	<u>\$ 171,660</u>	<u>\$ 117,020</u>	<u>\$ 5,118,853</u>

(5) Capital Assets

Capital assets balances and activity for the year ended June 30, 2013 is as follows:

	Balance July 01, 2012	Additions	Deletions	Balance June 30, 2013
Capital assets not being depreciated:				
Land	\$ 1,615,845	\$ -	\$ -	\$ 1,615,845
Construction in progress	685,433	1,569,368	217,584	2,037,217
Other capital assets:				
Buildings	72,069,013	-	-	72,069,013
Improvements	46,178,272	461,072	-	46,639,344
Vehicles	7,094,067	676,965	457,961	7,313,071
Equipment	2,673,414	26,197	35,927	2,663,684
Total	<u>130,316,044</u>	<u>2,733,602</u>	<u>711,472</u>	<u>132,338,174</u>
Less accumulated depreciation:				
Buildings	42,289,386	1,367,823	-	43,657,209
Improvements	22,840,652	1,630,628	-	24,471,280
Vehicles	4,537,282	484,109	457,961	4,563,430
Equipment	2,127,838	132,834	30,262	2,230,410
Total	<u>71,795,158</u>	<u>3,615,394</u>	<u>488,223</u>	<u>74,922,329</u>
Net capital assets	<u>\$ 58,520,886</u>	<u>\$ (881,792)</u>	<u>\$ 223,249</u>	<u>\$ 57,415,845</u>

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

Depreciation expense was charged to governmental activities as follows:

Regular programs	\$ 1,381,484
Special education programs	343,499
Vocational education programs	85,750
Other instructional programs	62,001
Special programs	140,178
Adult and continuing education programs	56
Pupil support services	206,098
Instructional staff support services	191,724
General administration	127,101
School administration	194,760
Business services	30,592
Operation and maintenance of plant services	303,355
Student transportation services	208,120
Central services	37,497
Food services	201,769
Facility acquisition and construction	99,571
Community service programs	<u>1,839</u>
Total depreciation expense	<u>\$ 3,615,394</u>

(6) Accounts, Salaries, and Other Payables

At June 30, 2013, accounts, salaries, and other payables of \$12,678,075 consisted of the following:

Salaries and related benefits payable	\$ 10,637,122
Accounts payable	1,101,822
Retainage payable	75,006
Workers compensation and health claims payable	<u>864,125</u>
Total payables	<u>\$ 12,678,075</u>

Prior to July 1, 1999 the Vermilion Parish School Board was partially self-insured for worker's compensation claims. Under this program the School Board maintained a self-insured retention per occurrence of \$200,000 with excess insurance coverage, and a third party administrator to handle claims.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

(7) Long-Term Liabilities

\$1,400,000 Certificates of Indebtedness, Series 2009, due in annual installments of \$120,000 to \$165,000 through February 1, 2019; at an interest rate of 3.31% (to be retired from income derived from trust fund investments).	\$ 905,000
\$2,025,000 Revenue Bonds, Series 2011, due in annual installments of \$140,000 to \$200,000 through February 1, 2023; at an interest rate of 2.57% (to be retired from income derived from trust fund investments).	<u>1,740,000</u>
Total	<u>\$2,645,000</u>

The bonds and certificates are due as follows:

Year Ending June 30,	Governmental Activities		Total
	Principal payments	Interest payments	
2014	\$ 280,000	\$ 74,673	\$ 354,673
2015	290,000	66,478	356,478
2016	310,000	57,989	367,989
2017	320,000	48,913	368,913
2018	325,000	39,542	364,542
2019 - 2023	<u>1,120,000</u>	<u>80,505</u>	<u>1,200,505</u>
Totals	<u>\$ 2,645,000</u>	<u>\$ 368,100</u>	<u>\$ 3,013,100</u>

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

Changes in General Long-Term Liabilities

During the year ended June 30, 2013, the following changes occurred in long-term liabilities transactions and balances:

	Balance July 01, 2012	Additions	Reductions	Balance June 30, 2013	Due Within One Year
Certificates of Indebtedness, Series 2009	\$ 1,035,000	\$ -	\$ 130,000	\$ 905,000	\$ 135,000
Revenue Bonds, Series 2011	1,885,000	-	145,000	1,740,000	145,000
Compensated absences	4,288,573	755,403	-	5,043,976	-
	<u>\$ 7,208,573</u>	<u>\$ 755,403</u>	<u>\$ 275,000</u>	<u>\$ 7,688,976</u>	<u>\$ 280,000</u>
Add: net OPEB obligation				17,972,461	
				<u>\$ 25,661,437</u>	

Compensated Absences

Compensated absences payable consist of the portion of accumulated sick and annual leave of the governmental funds that is not expected to require current resources. The liability for compensated absences is computed only at the end of each fiscal year; therefore, the increase of \$755,403 for fiscal year 2013, is the net of leave benefits accrued and paid during those years.

(8) Sales and Use Taxes

The School Board is authorized to collect within the parish a one percent sales and use tax. The proceeds of the tax are dedicated to supplement salaries of teachers and/or the expenditures of operating the schools, including salaries of other personnel. On May 2, 2009, the voters of Vermilion Parish authorized the levy of a one half percent sales and use tax dedicated to the salaries and benefits of school employees. The collection of the tax began July 1, 2009.

Effective March 1, 1992, the School Board was appointed the central sales tax collecting agency for all taxing bodies within Vermilion Parish. The following is a summary of taxes that the School Board has the responsibility of collecting:

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

Taxing Bodies	Rate	Total Collections	Collection Cost	Interest and Other Adjustments	Net Distribution
Vermilion Parish Police Jury	1.50%	\$ 12,623,171	\$ (196,901)	\$ (31,368)	\$ 12,394,902
Vermilion Parish Sheriff	0.75%	6,305,832	(90,639)	(18,849)	6,196,344
Town of Gueydan	1.00%	200,305	(1,196)	(209)	198,900
City of Kaplan	1.00%	593,497	(3,201)	762	591,058
City of Abbeville	1.25%	3,550,046	(27,248)	(10,844)	3,511,954
Town of Erath	1.00%	274,260	(589)	1,646	275,317
Town of Delcambre	1.00%	185,328	(823)	54	184,559
Village of Maurice	1.50%	678,554	(3,069)	(309)	675,176
Vermilion Parish Tourist Commission	5.00%	112,609	(758)	(29)	111,822
Vermilion Parish School Board	1.50%	12,408,381	389,966	183,838	12,982,185
Hospital Service District #1	1.00%	1,428,798	(42,751)	(6,704)	1,379,343
Economic Development District #1	0.50%	71,859	(387)	5	71,477
Abbeville Hospital District #2	0.50%	3,032,597	(22,221)	(8,076)	3,002,300
Abbeville Film and Visitors Commission	0.50%	24,536	(183)	(15)	24,338
Totals		<u>\$41,489,773</u>	<u>\$ -</u>	<u>\$ 109,902</u>	<u>\$41,599,675</u>

(9) Retirement Plans

Eligible employees of the Vermilion Parish School Board participate in one of four multiple-employer public employee retirement systems (PERS), which are controlled and administered by a separate board of trustees. These retirement systems provide retirement, disability and death benefits to plan members and their beneficiaries. Pertinent information relative to each plan follows:

A. Teachers' Retirement System of Louisiana – Regular

Plan members are required to contribute 8.0 percent of their annual salary to the system while the School Board is required to contribute the statutory rate of 24.5 percent of the total annual covered salary. The School Board's contributions to the system for the years ended June 30, 2013, 2012 and 2011 were \$10,543,441, \$10,596,826, and \$8,764,211, respectively, equal to the required contribution for each year.

A publicly available financial report that includes financial statements and required supplemental financial information may be obtained by writing to the Louisiana Teachers' Retirement System, P.O. Box 94123, Baton Rouge, Louisiana 70804-9123.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

B. Teachers' Retirement System of Louisiana – Plan A

Plan members are required to contribute 9.1 percent of their annual covered salary to the system while the School Board is required to contribute the statutory rate of 30.0 percent of the total annual covered salary. The School Board's contributions to the system for the years ended June 30, 2013, 2012 and 2011 were \$29,809, \$14,410, and \$13,674, respectively, equal to the required contribution for each year.

C. Parochial Employees' Retirement System

Plan members are required to contribute 9.5 percent of their annual salary to the system while the School Board is required to contribute the statutory rate of 16.75 percent of the total annual covered salary. The School Board's contributions to the system for the years ended June 30, 2013, 2012 and 2011 were \$15,263, \$13,072, and \$9,187, respectively, equal to the required contribution for each year.

A publicly available financial report that includes financial statements and required supplemental financial information may be obtained by writing to the Louisiana Teachers' Retirement System, P.O. Box 94123, Baton Rouge, Louisiana, 70804-9123.

D. Louisiana School Employees' Retirement System

Plan members are required to contribute 7.5 percent of their annual covered salary to the system if hired before July 1, 2010 and 8 percent if enrolled on or after July 1, 2010, while the School Board is required to contribute the statutory rate of 30.8 percent of the total annual salary covered. The School Board contribution to the system for the years ended 2013, 2012 and 2011 were \$1,199,739, \$1,143,127, and \$912,020, respectively.

A publicly available financial report that includes financial statements and required supplemental financial information may be obtained by writing to the Louisiana Teachers' Retirement System, P.O. Box 44516, Baton Rouge, Louisiana, 70804.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

(10) Self-insurance Group Health Insurance Program

On April 25, 2002, the School Board began a partially self-insured group health insurance program. A separate internal service fund was created to accumulate funds designated for the payment of health care claims, insurance and associated costs of school system employees, retirees and their covered dependants. The School Board has procured specific-loss insurance with a self-insured retention of \$175,000 per individual and aggregate-loss insurance with an attachment point of approximately \$18,049,278 based on projected enrollment of 1,473 subscribers.

The liability for unpaid claims of \$864,125 as of June 30, 2013 was determined based on reports obtained from third party administrator regarding claims incurred prior to June 30, 2013 paid out during the subsequent month period ending September 2013, and includes a \$43,498 provision for claims incurred but not reported.

Changes in the claims liability amount for the group health insurance program are as follows:

	Beginning of Fiscal Year Liability	Claims and Changes in Estimates	Benefit Payments and Claims	Balance at Fiscal Year-End
2010 - 2011	\$ 962,619	\$ 9,224,300	\$ 9,423,871	\$ 763,048
2011 - 2012	\$ 763,048	\$ 12,767,793	\$ 11,789,474	\$ 1,741,367
2012 - 2013	\$ 1,741,367	\$ 11,384,461	\$ 12,261,703	\$ 864,125

(11) Commitments and Contingencies

A. Litigation

There are several lawsuits presently pending against the School Board. The School Board's management and legal counsel is of the opinion that any unfavorable outcome in these cases would not materially affect the financial statements.

B. Grant Audits

The School Board receives federal and state grants for specific purposes that are subject to review and audit by governmental agencies. Such audits could result in a request for reimbursement by the grantor for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of the School Board, such disallowances, if any, will not be significant.

C. Intergovernmental Agreement

On January 19, 2000 the Vermilion Parish School Board negotiated an intergovernmental agreement with the Iberia Parish School Board to establish certain parameters for calculating annual payments that the School Board shall remit to the Iberia

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

Parish School Board for Vermilion Parish resident students attending Iberia Parish Schools. This agreement is effective for a twenty-year period ending June 30, 2020 but is subject to renegotiation every five years.

(12) Interfund Transactions

A. Interfund receivables and payables, by fund, at June 30, 2013 are as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major funds:		
General Fund	\$ 2,436,646	\$ -
Nonmajor funds:		
Title I	-	608,975
Title II	-	117,013
Title III	-	11,933
Individual with Disabilities Education Act	-	460,250
Preschool Flow - Through	-	2,620
School Lunch/Breakfast Fund	-	145
Truancy Assessment and Service Centers	-	4,321
District School Improvement Grant (LASIG) Fund	-	7,889
School Wide Positive Behavior Fund	-	42,750
Rural Education Achievement Program (REAP) Fund	-	41,199
Carl Perkins	-	22,914
CDBG		645,138
Math and Science Partnership Fund	-	9,774
Striving Readers Fund	-	243,612
Total nonmajor funds	<u>-</u>	<u>2,218,533</u>
Total	<u>\$ 2,436,646</u>	<u>\$ 2,436,646</u>

The amounts due to the General Fund from various other funds are for reimbursements owed for expenditures paid for those funds.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

B. Transfers consisted of the following at June 30, 2013:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major funds:		
General Fund	\$ 11,544,969	\$ -
Nonmajor funds:		
1998 Ad Valorem Tax	-	7,863,754
1996 Ad Valorem Tax	-	85,051
Title I	137,052	31,731
Title II	28,332	-
Education Excellence	10,333	-
Individual with Disabilities Education Act	59,396	51,649
Preschool Flow-Through	2,520	-
School Lunch/Breakfast fund	113,155	-
Preschool LA-4 Fund	11,698	-
2009 Sales Tax Fund	-	4,000,262
School Wide Positive Behavior Fund	-	2,375
Preschool TANF Fund	33,967	-
Rural Education Achievement Program (REAP)	5,161	-
Jobs For America's Graduates (JAG) Fund	3,806	-
CDBG	21,299	-
Math and Science Partnership Fund	6,174	-
Striving Readers Fund	39,824	67,915
Debt Service	357,048	-
Capital Projects	85,051	-
Dr. Daniel Dartez Educational Trust	-	357,048
Total nonmajor funds	<u>914,816</u>	<u>12,459,785</u>
Total	<u>\$ 12,459,785</u>	<u>\$ 12,459,785</u>

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to (b) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

(13) Post-Retirement Health Care and Life Insurance Benefits

From an accrual accounting perspective, the cost of postemployment healthcare benefits should be associated with the periods in which the cost occurs, rather than in the future year when it will be paid. In adopting the requirements of GASB Statement No. 45 during the year ended June 30, 2009, the School Board recognizes the cost of postemployment healthcare in the year when employee services are received, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the School Board's future cash flows. Because the School Board is adopting the requirements of GASB Statement No. 45 prospectively, recognition of the liability accumulated from prior years will be phased in over 30 years, commencing with the 2009 liability.

Plan Description: The Vermilion Parish School Board participates in a partially self-insured group health insurance program.

Employees are covered by the Teachers' Retirement System of Louisiana (TRSL), whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age; age 55 and 25 years of service; or, age 65 and 20 years of service. Complete plan provisions are contained in the official plan documents.

Vermilion Parish School Board covers up to a \$15,000 of basic life insurance. Premiums are assessed on amounts in excess of \$15,000 and all supplemental life insurance. No trend is assumed for life insurance coverage or contributions.

Contribution Rates: Employees do not contribute to their post employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

Fund Policy: Until 2008, the Vermilion Parish School Board recognized the cost of providing post-employment medical and life benefits (Vermilion Parish School Board's portion of the retiree medical and life benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2013, the School Board's portion of health care and life insurance funding cost for retired employees totaled \$3,723,956.

Annual Required Contribution: Vermilion Parish School Board's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The Annual Required Contribution (ARC) is the sum of the Normal Cost plus the contribution to amortize the Unfunded Actuarial Accrued Liability (UAAL). A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB 43/45) has been used for the post-employment benefits. The actuarially computed ARC is as follows:

Normal Cost	\$ 2,339,569
30-year UAAL amortization amount	<u>5,282,521</u>
Annual required contribution (ARC)	<u>\$ 7,622,090</u>

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

Net Post-employment Benefit Obligation (Asset): The table below shows Vermilion Parish School Board's Net Other Post-employment Benefit (OPEB) Obligation (Asset) for fiscal year ending June 30, 2013:

Annual required contribution	\$ 7,622,090
Interest on net OPEB obligation	573,193
Adjustment to annual required contribution	<u>(828,696)</u>
Annual OPEB cost (expense)	7,366,587
Current year retiree premium	<u>(3,723,956)</u>
Increase in net OPEB obligation	3,642,631
Net OPEB obligation - beginning of year	<u>14,329,830</u>
Net OPEB obligation - end of year	<u>\$ 17,972,461</u>

The following table shows Vermilion Parish School Board's annual post employment benefits (PEB) cost, percentage of the cost contributed, and the net unfunded post employment benefits (PEB) liability for the last three years:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2013	\$ 7,366,587	50.60%	\$ 17,972,461
June 30, 2012	\$ 6,347,687	43.74%	\$ 14,329,830
June 30, 2011	\$ 6,160,170	41.73%	\$ 10,758,379

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

Funded Status and Funding Progress: In 2013, Vermilion Parish School Board made no contributions to its post employment benefits plan. The plan was not funded at all, has no assets, and hence has a funded ratio of zero. Based on the July 1, 2012 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the year June 30, 2013 was \$91,345,457, which is defined as that portion, as determined by a particular actuarial cost method (Vermilion Parish School Board uses the Projected Unit Credit Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost.

Actuarial accrued liability (AAL)	\$91,345,457
Actuarial valuation of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$91,345,457</u>
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	\$49,277,636
UAAL as a percentage of covered payroll	185.37%

Actuarial Methods and Assumptions: Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for post employment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by Vermilion Parish School Board and its employee plan members) at the time of the valuation and on the pattern of sharing costs between Vermilion Parish School Board and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between Vermilion Parish School Board and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

Actuarial Cost Method: The actuarial cost method determines, in a systematic way, the incidence of plan sponsor contributions required to provide plan benefits. It also determines how actuarial gains and losses are recognized in OPEB costs. These gains and losses result from the difference between the actual experience under the plan and what was anticipated by the actuarial assumptions.

The cost of the Plan is derived by making certain specific assumptions as to rates of interest, mortality, turnover, etc. which are assumed to hold for many years into the future. Since actual experience may differ somewhat from the long term assumptions, the costs determined by the valuation must be regarded as estimates of the true costs of the Plan.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

Actuarial liabilities and comparative costs shown in this Report were computed using the Unit Credit Actuarial Cost Method, which consists of the following cost components:

- a. The Normal Cost is the Actuarial Present Value of benefits allocated to the valuation year.
- b. The Actuarial Accrued Liability is the Actuarial Present Value of benefits accrued as of the valuation date.
- c. Valuation Assets are equal to the market value of assets as of the valuation date, if any.
- d. Unfunded Actuarial Accrued Liability is the difference between the Actuarial Accrued Liability and the Valuation Assets. It is amortized over the maximum permissible period under GASB 45 of 30 years.

In addition to the actuarial method used, actuarial cost estimates depend to an important degree on the assumptions made relative to various occurrences, such as rate of expected investment earnings by the fund, rates of mortality among active and retired employees, rates of termination from employment, and retirement rates.

Post employment Benefit Plan Eligibility Requirements: Based on historical experience, it has been assumed that entitlement to benefits will commence three years after earliest eligibility to enter the D.R.O.P. Medical benefits are provided to employees upon actual retirement. Employees are covered by the Teachers' Retirement System of Louisiana (TRSL), whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 20 years of service at any age; age 55 and 25 years of service; or, age 65 and 5 years of service. Entitlement to benefits continue through Medicare to death.

Investment Return Assumption (Discount Rate): GASB Statement 45 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation.

Health Care Cost Trend Rate: The pre-65 trend expected rate of decrease in medical cost is based on a graded schedule beginning with 6.6% annually, down to an ultimate annual rate of 4.5%. The post-65 trend expected rate of decrease in medical cost is based on a graded schedule beginning with 6.0% annually, down to an ultimate annual rate of 4.6%.

Mortality Rate: Pre-retirement: Sex Distinct RP 2000 Healthy Mortality Table for annuitants projected to 2013 using Scale AA.

Post-retirement: Sex Distinct RP 2000 Healthy Mortality Table for non-annuitants projected to 2013 using Scale AA.

Method of Determining Value of Benefits: The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The rates provided are "blended" rates for active and retired before Medicare eligibility. Since GASB 45 requires the use of "unblended" rates, we have used estimated "unblended" rates as follows. The

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

pre-Medicare employer provided rates were determined by adding 30% to the currently prevailing blended rates. The post-Medicare employer provided rates were unblended as required by GASB 45.

Inflation Rate: Included in both the Investment Return Assumption and the Healthcare Cost Trend rates above are an implicit inflation assumption of 2.50% annually.

(14) Risk Management

Commercial Insurance Coverage

The School Board purchases commercial insurance for property coverage, general liability, fleet liability, errors and omissions and flood. The deductibles per occurrence for these coverages are \$100,000, \$25,000, \$25,000 and \$25,000, respectively. For the fiscal year ending June 30, 2013, the deductible for property coverage for named storms is 2% of total insured value per building subject to a minimum of \$500,000 per occurrence.

(15) Excess Oil and Gas Revenue Policy

The School Board has adopted a policy on excess oil and gas royalty revenues whereby mineral revenues over \$6,250,000 will be reserved in the following manner:

- A. 50% of the amount over \$6,250,000 is to be placed in the Vermilion Parish Education Public Trust.
- B. 50% of the amount over \$6,250,000 is to be used for employee salary supplements.

For the year ended June 30, 2013 oil and gas royalty revenues did not exceed the \$6,250,000 threshold, therefore a transfer was not made to the trust and for employee salary supplements.

(16) Non-expendable Trust Fund

On June 11, 1996, pursuant to Louisiana Revised Statute (LSA-RS) 17:81(m), the School Board established the Vermilion Parish Education Trust (a non-expendable trust fund). Trust principal is derived from excess revenues and may not be used for expenditures. Income from the investment of fund principal is restricted to meeting the capital outlay needs of the school system.

The trust is administered by a board of trustees which consists of individuals who occupy the following positions:

- A. Vermilion Parish School Board President
- B. Vermilion Parish School Board Vice-President
- C. Vermilion Parish School System Superintendent
- D. Vermilion Parish School System Chief Financial Officer
- E. Vermilion Association of Educators President
- F. Vermilion Parish School Board legal advisor

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

The trustees of the Daniel R. Dartez Educational Trust believe that the following asset mixes will produce a pattern of returns over time that will conform to the desired return requirements, risk tolerance and liquidity:

Asset Class	Minimum	Target	Maximum
Intermediate Fixed Income	60%	75%	85%
Equities	15%	25%	35%

Cash equivalents may be held in lieu of equities or intermediate fixed income at the discretion of the investment advisor.

(17) Compensation of Board Members

A detail of the compensation paid to individual board members for the year ended June 30, 2013 follows:

Ricky J. Broussard	\$ 9,600
Dexter J. Callahan	9,600
Charles Campbell	10,800
Anthony Fontana	9,600
Christopher Gautreaux	9,600
Stacy Landry	9,600
Carroll LeBlanc	9,600
George Gardiner	9,600
	<u>\$ 78,000</u>

(18) On-Behalf Payments

The accompanying financial statements include on-behalf payments made by the Vermilion Parish Tax Collector in the amount of \$307,558 to the Teacher's Retirement System of Louisiana for employee retirement benefits, as required by GASB Statement No. 24 *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*. The amount of \$307,558 is recorded in the accounting system of the Vermilion Parish School Board.

(19) Subsequent Events

The School Board evaluated subsequent events through December 4, 2013, the date which the financial statements were available to be issued.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

(20) New Accounting Pronouncements

During the fiscal year ended June 30, 2013, the School Board adopted Governmental Accounting Standards Board (GASB) Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, which provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The statement of net assets is renamed the statement of net position and includes the following elements: assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position.

In April 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. The statement clarifies the appropriate reporting of deferred outflows of resources or deferred inflows of resources to ensure consistency in financial reporting. The provisions of GASB No. 65 must be implemented by the School Board for the year ending June 30, 2014. The effect of implementation on the School Board's financial statements has not yet been determined.

**OTHER REQUIRED
SUPPLEMENTARY INFORMATION**

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

General Fund
Budgetary Comparison Schedule
Year Ended June 30, 2013

	Budget			Variance Positive (Negative)
	Original	Final	Actual	
Revenues				
Local sources:				
Ad valorem taxes	\$ 1,650,000	\$ 1,700,002	\$ 1,872,491	\$ 172,489
Sales taxes	7,500,000	7,500,000	8,415,364	915,364
Other	1,662,500	1,662,500	6,078,874	4,416,374
Total local sources	10,812,500	10,862,502	16,366,729	5,504,227
State sources	45,478,919	46,311,782	46,276,724	(35,058)
Federal sources	-	-	170,907	170,907
Total revenues	56,291,419	57,174,284	62,814,360	5,640,076
Expenditures				
Current:				
Instruction -				
Regular programs	32,151,226	32,580,945	32,381,044	199,901
Special education programs	7,559,938	7,598,676	7,452,927	145,749
Vocational education programs	2,279,097	2,229,098	1,998,516	230,582
Other instructional programs	1,382,221	1,443,921	1,566,005	(122,084)
Special programs	508,946	503,946	306,895	197,051
Support services -				
Pupil support services	4,191,486	4,179,638	3,965,574	214,064
Instructional staff support services	3,215,057	3,227,157	3,280,997	(53,840)
General administration	2,453,546	2,608,649	2,681,827	(73,178)
School administration	4,839,455	4,849,455	4,919,146	(69,691)
Business services	830,967	830,967	755,347	75,620
Operation and maintenance of plant services	7,487,998	7,549,998	7,518,297	31,701
Student transportation services	4,654,640	4,619,640	4,631,140	(11,500)
Central services	830,851	839,851	805,710	34,141
Non-instructional services -				
Community service programs	45,000	45,000	46,436	(1,436)
Facilities acquisition and construction	385,000	597,200	382,697	214,503
Total expenditures	72,815,428	73,704,141	72,692,558	1,011,583
Deficiency of revenues over expenditures	(16,524,009)	(16,529,857)	(9,878,198)	6,651,659
Other financing sources (uses)				
Proceeds from sale of capital assets	1,000	1,000	15,872	14,872
Transfer to other LEAs	-	(50,968)	(50,968)	-
Transfers in	10,858,252	11,143,995	11,544,969	400,974
Total other financing sources (uses)	10,859,252	11,094,027	11,509,873	415,846
Net change in fund balance	(5,664,757)	(5,435,830)	1,631,675	7,067,505
Fund balances, beginning	15,979,032	15,979,032	15,979,032	-
Fund balances, ending	\$ 10,314,275	\$ 10,543,202	\$ 17,610,707	\$ 7,067,505

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Budgetary Comparison Schedule

(1) Budget Practices

The proposed budget for 2013 was completed and made available for public inspection at the School Board office prior to the required public hearing held for suggestions and comments from taxpayers. The School Board formally adopted the proposed fiscal year 2013 budget on August 16, 2012. In accordance with R.S.17:88(A), parish school boards must adopt the budget no later than September fifteenth of each year. The budget, which included proposed expenditures and the means of financing them, for the General and Special Revenue Funds was published in the official journal ten days prior to the public hearing.

The budgets for the General and Special Revenue Funds for the fiscal year 2013 were prepared on the modified accrual basis of accounting, consistent with generally accepted accounting principles (GAAP).

The level of control over the budget is exercised at the function or program level for the General and Special Revenue. The Superintendent and/or assistant superintendents are authorized to transfer budget amounts within each fund; however, any supplemental appropriations that amend the total expenditures of any fund require School Board approval. As required by state law, when actual revenues within a fund are failing to meet estimated annual budgeted revenues by five percent or more, and/or actual expenditures within a fund are exceeding estimated budgeted expenditures by five percent or more, a budget amendment to reflect such changes is adopted by the School Board in an open meeting. Budgeted amounts included in the financial statements include the original adopted budget and all subsequent amendments. Amendments to the budget were not material.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Schedule of Funding Progress
For the Year Ended June 30, 2013

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liabilities (AAL)	Unfunded Actuarial Accrued Liabilities (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
July 01, 2008	\$ -	\$ 68,617,327	\$ 68,617,327	0.0%	\$ 51,544,270	133.1%
July 01, 2010	\$ -	\$ 77,944,069	\$ 77,944,069	0.0%	\$ 51,080,021	152.6%
July 01, 2012	\$ -	\$ 91,345,457	\$ 91,345,457	0.0%	\$ 49,277,636	185.4%

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Schedule of Employer Contributions
For the Year Ended June 30, 2013

<u>Year Ended</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
June 30, 2009	\$ 5,461,674	35.80%
June 30, 2010	\$ 5,680,141	34.42%
June 30, 2011	\$ 6,287,990	40.88%
June 30, 2012	\$ 6,539,509	42.45%
June 30, 2013	\$ 7,622,090	48.86%

OTHER SUPPLEMENTARY INFORMATION

OTHER FINANCIAL INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

VERMILION PARISH SCHOOL BOARD
 Abbeville, Louisiana
 Nonmajor Governmental Funds

Combining Balance Sheet
 June 30, 2013
 With Comparative Totals for June 30, 2012

	Special Revenue	Debt Service	Capital Projects	Permanent	Totals	
					2013	2012
ASSETS						
Cash and interest-bearing deposits	\$ 3,552,414	\$ 65,301	\$ -	\$ 264,064	\$ 3,881,779	\$ 3,628,287
Investments	-	-	-	12,084,038	12,084,038	11,788,958
Receivables	3,174,234	-	950,206	87,309	4,211,749	3,246,943
Inventory	146,953	-	-	-	146,953	129,883
Total assets	<u>\$ 6,873,601</u>	<u>\$ 65,301</u>	<u>\$ 950,206</u>	<u>\$ 12,435,411</u>	<u>\$ 20,324,519</u>	<u>\$ 18,794,071</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 110,030	\$ -	\$ 599,026	\$ 9,218	\$ 718,274	\$ 236,087
Accrued salaries and related benefits	1,562,825	-	-	-	1,562,825	1,991,933
Retainage payable	-	-	75,006	-	75,006	9,633
Due to other funds	2,218,533	-	218,113	-	2,436,646	1,946,908
Deferred revenue	-	-	-	-	-	280,916
Total liabilities	<u>3,891,388</u>	<u>-</u>	<u>892,145</u>	<u>9,218</u>	<u>4,792,751</u>	<u>4,465,477</u>
Fund balances:						
Nonspendable	146,953	-	-	12,426,193	12,573,146	12,245,469
Restricted	2,835,260	65,301	58,061	-	2,958,622	2,119,698
Unassigned	-	-	-	-	-	(36,573)
Total fund balances	<u>2,982,213</u>	<u>65,301</u>	<u>58,061</u>	<u>12,426,193</u>	<u>15,531,768</u>	<u>14,328,594</u>
Total liabilities and fund balances	<u>\$ 6,873,601</u>	<u>\$ 65,301</u>	<u>\$ 950,206</u>	<u>\$ 12,435,411</u>	<u>\$ 20,324,519</u>	<u>\$ 18,794,071</u>

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana
Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended June 30, 2013
With Comparative Totals for Year Ended June 30, 2012

	Special Revenue	Debt Service	Capital Projects	Permanent	Totals	
					2013	2012
Revenues						
Local sources -						
Ad valorem taxes	\$ 11,392,856	\$ -	\$ -	\$ -	\$ 11,392,856	\$ 10,718,734
Sales tax	3,993,016	-	-	-	3,993,016	3,609,556
Investment earnings	28,894	213	-	704,637	733,744	580,952
Food services	764,780	-	-	-	764,780	730,455
Other	80,518	-	-	-	80,518	82,896
State sources	1,216,284	-	-	-	1,216,284	1,327,870
Federal sources	11,659,578	-	1,502,052	-	13,161,630	12,147,319
Other commodities	295,171	-	-	-	295,171	275,888
Total revenues	<u>29,431,097</u>	<u>213</u>	<u>1,502,052</u>	<u>704,637</u>	<u>31,637,999</u>	<u>29,473,670</u>
Expenditures						
Current:						
Instruction -						
Regular programs	2,511,843	-	-	-	2,511,843	1,622,244
Special education programs	1,223,363	-	-	-	1,223,363	1,696,134
Vocational education programs	167,306	-	-	-	167,306	219,753
Other instructional programs	-	-	-	-	-	12,699
Special programs	3,233,646	-	-	-	3,233,646	3,655,935
Adult and continuing education programs	1,419	-	-	-	1,419	127,349
Support services -						
Pupil support services	1,239,607	-	-	-	1,239,607	1,470,979
Instructional staff support services	1,561,469	-	-	-	1,561,469	1,319,515
General administration	489,524	-	1,935	36,982	528,441	556,058
Business services	17,335	-	-	-	17,335	16,123
Operation and maintenance of plant services	143,710	-	-	-	143,710	144,510
Student transportation services	625,468	-	-	-	625,468	654,876
Central services	49,584	-	-	-	49,584	60,473
Non-instructional services -						
Food service operations	5,096,195	-	-	-	5,096,195	5,219,057
Facilities acquisition and construction	562,849	-	1,569,368	-	2,132,217	2,093,256
Debt service:						
Principal retirement	-	275,000	-	-	275,000	345,000
Interest and fiscal charges	-	82,703	-	-	82,703	90,348
Legal and technical fees	-	550	-	-	550	347
Total expenditures	<u>16,923,318</u>	<u>358,253</u>	<u>1,571,303</u>	<u>36,982</u>	<u>18,889,856</u>	<u>19,304,656</u>
Excess (deficiency) of revenues over expenditures	<u>12,507,779</u>	<u>(358,040)</u>	<u>(69,251)</u>	<u>667,655</u>	<u>12,748,143</u>	<u>10,169,014</u>
Other financing sources (uses)						
Proceeds from issuance of debt	-	-	-	-	-	2,025,000
Payment to refunded bond escrow agent	-	-	-	-	-	(1,485,000)
Transfers in	472,717	357,048	85,051	-	914,816	948,799
Transfers out	(12,102,737)	-	-	(357,048)	(12,459,785)	(11,770,890)
Total other financing sources (uses)	<u>(11,630,020)</u>	<u>357,048</u>	<u>85,051</u>	<u>(357,048)</u>	<u>(11,544,969)</u>	<u>(10,282,091)</u>
Net change in fund balances	877,759	(992)	15,800	310,607	1,203,174	(113,077)
Fund balances, beginning	<u>2,104,454</u>	<u>66,293</u>	<u>42,261</u>	<u>12,115,586</u>	<u>14,328,594</u>	<u>14,441,671</u>
Fund balances, ending	<u>\$ 2,982,213</u>	<u>\$ 65,301</u>	<u>\$ 58,061</u>	<u>\$ 12,426,193</u>	<u>\$ 15,531,768</u>	<u>\$ 14,328,594</u>

NONMAJOR SPECIAL REVENUE FUNDS

Special revenue funds are used to account for special revenues that are legally restricted to expenditures for expenditures for specific purposes.

1998 Ad valorem Tax Fund

In January, 1998 Vermilion Parish voters approved a 25.00 mills ad valorem tax dedicated solely for the purpose of increasing the salaries and benefits of school employees to a level comparable with surrounding parishes.

1996 Ad valorem Tax Fund

In April, 1996 Vermilion Parish voters approved a rededication of a 10.00 mills ad valorem tax. The proposition provided that 3.00 mills be used for acquiring and maintaining equipment and supplies for educational and instructional services including library books and textbooks, 5.00 mills for maintaining and improving public school buildings including roof replacement, and heating and air conditioning systems, and 2.00 mills for acquiring and maintaining school buses.

No Child Left Behind (NCLB):

Title I

Title I of the NCLB is a program for economically and educationally deprived school children that is federally financed, state administered, and locally operated by the School Board. Title I services are provided through various projects that are designed to meet the special needs of educationally deprived children. The activities supplement, rather than replace, state and locally mandated activities.

Title II

Title II of the NCLB is a program by which the federal government provides funds to the School Board for projects that are designed to improve the skills of teachers in the areas of mathematics, science, computer learning, and to increase the accessibility of such instructions to all students.

Title III

Title III of the NCLB is a program to help ensure that children who are limited English proficient, including immigrant children and youth, attain English proficiency, develop high levels of academic attainment in English, and meet the same challenging State academic content and student academic achievement standards as all children are expected to meet.

Education Excellence Fund

The Education Excellence Fund accounts for restricted revenues derived from the state's tobacco settlement. Expenditures from this fund are restricted to instructional enhancements for pre-kindergarten to twelfth grade students.

Individuals With Disabilities Education Act Fund

The IDEA Fund is a federally financed program of free education in the least restricted environment to children with exceptionalities.

(continued)

NONMAJOR SPECIAL REVENUE FUNDS (continued)

Preschool Flow-Through Fund

Vermilion School Board for providing a free appropriate public education to preschool-age handicapped children.

Federal and State Adult Education Funds

The Federal and State Adult Education Funds are programs for the education of adults, who have not received a high school education. These programs are federally and state financed, state administered, and locally operated by the Vermilion Parish School Board.

School Lunch/Breakfast Fund

The School Lunch/Breakfast Fund is a program that provides nourishing morning and noon meals for students in all grades. This fund is supplemented by both federal and state funds that are based on reimbursement and participation.

Truancy Assessment and Service Centers (TASC) Fund

The TASC Fund accounts for programs to provide for early identification and assessment of truants and the delivery of coordinated interventions to prevent unauthorized school absences.

Preschool LA-4 Fund

The Preschool LA-4 Fund accounts for the Early Childhood Development program for four year old children considered to be at risk of achieving academic success.

2009 Sales Tax Fund

In May, 2009 Vermilion Parish voters approved a 1/2 cent sales tax dedicated solely for the purpose of increasing the salaries and benefits of school employees to a level comparable with surrounding parishes.

District School Improvement Grant (LASIG) Fund

District School Improvement Grant (LASIG) Fund is a federal program that provides to improve systems of professional development, service delivery, and student outcomes in the district.

School Wide Positive Behavior Fund

The School Wide Positive Behavior Fund is a program that aims to provide positive behavior support in the form of training and professional development to teachers and administrators in the district. This program is financed pursuant to a subcontract between the Vermilion Parish School Board and Louisiana State University which is the primary grantee.

Preschool (TANF) Fund

TANF is a federal program that promotes early child development for four year old children considered to be at risk of achieving academic success.

(continued)

NONMAJOR SPECIAL REVENUE FUNDS (continued)

Rural Education Achievement Program (REAP) Fund

The Rural Education Achievement Program (REAP) Fund is a federal program that provides to assist with teacher recruitment and retention, provide professional development activities, assist with education technology, provide parental involvement activities, and provide activities alongside of Title III and Title IV federal programs.

Carl Perkins

The Carl Perkins Fund is a federal program that more fully develops the academic, vocational, and technical skills of secondary students who elect to enroll in career and technical educational programs.

Jobs for America's Graduates (JAG) Fund

The Jobs for America's Graduates (JAG) Fund is a federal program that provides for dropout prevention and workforce preparation for at-risk students.

Community Development Block Grant (CDBG) Fund

The CDBG Fund accounts for a federal program that promotes early childhood development for four-year-old children considered to be at risk of achieving academic success. It also accounts for the Louisiana Jason Stem Project which provides training to middle school science teachers in order to prepare future scientists for hurricane recovery and other mitigation circumstances.

Math and Science Partnership Fund

The Math and Science Partnership Fund promotes opportunities for enhanced and ongoing professional development for mathematics and science teachers.

Coastal Parish Revitalization Fund

The Coastal Parish Revitalization Fund is a federal program dedicated to improve education in areas affected by recent hurricanes.

Striving Readers Fund

The purpose of the Striving Readers Comprehensive Literacy Program advances literacy skills for students from birth to grade 12.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana
Nonmajor Special Revenue Funds

Combining Balance Sheet
June 30, 2013
With Comparative Totals for June 30, 2012

	1998	1996	No Child Left Behind		
	Ad valorem	Ad valorem	Title I	Title II	Title III
	Tax Fund	Tax Fund	Fund	Fund	Fund
ASSETS					
Cash and interest bearing deposits	\$ 31,391	\$2,371,945	\$ 40,825	\$ 7,754	\$ 514
Receivables	18,248	7,299	1,043,959	202,152	15,730
Inventory	-	-	-	-	-
Total assets	<u>\$ 49,639</u>	<u>\$2,379,244</u>	<u>\$1,084,784</u>	<u>\$ 209,906</u>	<u>\$ 16,244</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ 73,725	\$ -	\$ -	\$ -
Accrued salaries and related benefits	-	9,087	475,809	92,893	4,311
Retainage payable	-	-	-	-	-
Due to other funds	-	-	608,975	117,013	11,933
Deferred revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>82,812</u>	<u>1,084,784</u>	<u>209,906</u>	<u>16,244</u>
Fund balances:					
Nonspendable	-	-	-	-	-
Restricted	49,639	2,296,432	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	<u>49,639</u>	<u>2,296,432</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 49,639</u>	<u>\$2,379,244</u>	<u>\$1,084,784</u>	<u>\$ 209,906</u>	<u>\$ 16,244</u>

<u>Education Excellence Fund</u>	<u>Individuals With Disabilities Education Act Fund</u>	<u>Pre-School Flow-Through Fund</u>	<u>Federal Adult Education Fund</u>	<u>State Adult Education Fund</u>
\$ 35,379	\$ 19,321	\$ 671	\$ -	\$ -
-	630,594	6,593	-	-
-	-	-	-	-
<u>\$ 35,379</u>	<u>\$ 649,915</u>	<u>\$ 7,264</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ 8,387	\$ -	\$ -	\$ -
35,379	181,278	4,644	-	-
-	-	-	-	-
-	460,250	2,620	-	-
-	-	-	-	-
<u>35,379</u>	<u>649,915</u>	<u>7,264</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 35,379</u>	<u>\$ 649,915</u>	<u>\$ 7,264</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

VERMILION PARISH SCHOOL BOARD
 Abbeville, Louisiana
 Nonmajor Special Revenue Funds

Combining Balance Sheet (continued)
 June 30, 2013
 With Comparative Totals for June 30, 2012

	School Lunch/ Breakfast Fund	TASC Fund	Preschool LA-4 Fund
ASSETS			
Cash and interest bearing deposits	\$ 362,070	\$ 1,015	\$ 42,944
Receivables	3,769	6,011	-
Inventory	<u>146,953</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 512,792</u>	<u>\$ 7,026</u>	<u>\$ 42,944</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 4,867	\$ 304	\$ 203
Accrued salaries and related benefits	373,024	1,015	42,741
Retainage payable	-	-	-
Due to other funds	145	4,321	-
Deferred revenue	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>378,036</u>	<u>5,640</u>	<u>42,944</u>
Fund balances:			
Nonspendable	146,953	-	-
Restricted	(12,197)	1,386	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>134,756</u>	<u>1,386</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 512,792</u>	<u>\$ 7,026</u>	<u>\$ 42,944</u>

2009 Sales Tax Fund	District School Improvement Grant (LASIG) Fund	School Wide Positive Behavior Fund	Preschool TANF Fund	Rural Education Achievement Program (REAP) Fund
\$ 500,000	\$ -	\$ -	\$ 104,399	\$ 2,610
-	9,681	44,209	-	49,664
-	-	-	-	-
<u>\$ 500,000</u>	<u>\$ 9,681</u>	<u>\$ 44,209</u>	<u>\$ 104,399</u>	<u>\$ 52,274</u>
\$ -	\$ 1,792	\$ 200	\$ -	\$ -
-	-	1,259	104,399	11,075
-	-	-	-	-
-	7,889	42,750	-	41,199
-	-	-	-	-
-	9,681	44,209	104,399	52,274
-	-	-	-	-
500,000	-	-	-	-
-	-	-	-	-
<u>500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 500,000</u>	<u>\$ 9,681</u>	<u>\$ 44,209</u>	<u>\$ 104,399</u>	<u>\$ 52,274</u>

(continued)

VERMILION PARISH SCHOOL BOARD
 Abbeville, Louisiana
 Nonmajor Special Revenue Funds

Combining Balance Sheet (continued)
 June 30, 2013
 With Comparative Totals for June 30, 2012

	Carl Perkins Fund	Jobs For America's Graduates (JAG) Fund	CDBG
ASSETS			
Cash and interest bearing deposits	\$ -	\$ 13,382	\$ 6,912
Receivables	26,063	-	727,892
Inventory	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 26,063</u>	<u>\$ 13,382</u>	<u>\$ 734,804</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Accrued salaries and related benefits	3,149	13,382	89,666
Retainage payable	-	-	-
Due to other funds	22,914	-	645,138
Deferred revenue	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>26,063</u>	<u>13,382</u>	<u>734,804</u>
Fund balances:			
Nonspendable	-	-	-
Restricted	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 26,063</u>	<u>\$ 13,382</u>	<u>\$ 734,804</u>

Math & Science Partnership Fund	Coastal Parish Revitalization Fund	Striving Readers Fund	Totals	
			2013	2012
\$ 1,078	\$ -	\$ 10,204	\$ 3,552,414	\$ 3,270,346
19,234	-	363,136	3,174,234	3,160,678
-	-	-	146,953	129,883
<u>\$ 20,312</u>	<u>\$ -</u>	<u>\$ 373,340</u>	<u>\$ 6,873,601</u>	<u>\$ 6,560,907</u>
\$ 9,460	\$ -	\$ 11,092	\$ 110,030	\$ 227,063
1,078	-	118,636	1,562,825	1,991,933
-	-	-	-	9,633
9,774	-	243,612	2,218,533	1,946,908
-	-	-	-	280,916
<u>20,312</u>	<u>-</u>	<u>373,340</u>	<u>3,891,388</u>	<u>4,456,453</u>
-	-	-	146,953	129,883
-	-	-	2,835,260	2,011,144
-	-	-	-	(36,573)
<u>-</u>	<u>-</u>	<u>-</u>	<u>2,982,213</u>	<u>2,104,454</u>
<u>\$ 20,312</u>	<u>\$ -</u>	<u>\$ 373,340</u>	<u>\$ 6,873,601</u>	<u>\$ 6,560,907</u>

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana
Nonmajor Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended June 30, 2013
With Comparative Totals for June 30, 2012

	1998	1996	No Child Left Behind		
	Ad valorem Tax Fund	Ad valorem Tax Fund	Title I Fund	Title II Fund	Title III Fund
Revenues					
Local Sources:					
Taxes:					
Ad valorem tax	\$ 8,130,782	\$ 3,262,074	\$ -	\$ -	\$ -
Sales tax	-	-	-	-	-
Interest income	11,732	9,674	-	-	-
Food services	-	-	-	-	-
Other	-	-	200	-	-
State sources	-	-	-	-	-
Federal sources	-	-	2,856,795	548,186	42,245
Other commodities	-	-	-	-	-
Total revenues	<u>8,142,514</u>	<u>3,271,748</u>	<u>2,856,995</u>	<u>548,186</u>	<u>42,245</u>
Expenditures					
Current:					
Instruction -					
Regular programs	-	1,000,108	-	507,558	-
Special education programs	-	-	-	-	-
Vocational education programs	-	-	-	-	-
Other instructional programs	-	-	-	-	-
Special programs	-	-	1,615,037	-	5,644
Adult and continuing education programs	-	-	-	-	-
Support services -					
Pupil support services	-	-	699,742	-	36,601
Instructional staff support services	-	-	487,904	26,849	-
General administration	251,407	100,562	92,444	42,111	-
Business services	-	-	17,335	-	-
Operation and maintenance of plant services	-	98,924	205	-	-
Student transportation services	-	616,680	65	-	-
Central services	-	-	49,584	-	-
Non-instructional services -					
Food service operations	-	-	-	-	-
Facility acquisition and construction	-	562,849	-	-	-
Total expenditures	<u>251,407</u>	<u>2,379,123</u>	<u>2,962,316</u>	<u>576,518</u>	<u>42,245</u>
Excess (deficiency) of revenues over expenditures	<u>7,891,107</u>	<u>892,625</u>	<u>(105,321)</u>	<u>(28,332)</u>	<u>-</u>
Other financing sources (uses):					
Transfers in	-	-	137,052	28,332	-
Transfers out	(7,863,754)	(85,051)	(31,731)	-	-
Total other financing sources (uses)	<u>(7,863,754)</u>	<u>(85,051)</u>	<u>105,321</u>	<u>28,332</u>	<u>-</u>
Net change in fund balances	<u>27,353</u>	<u>807,574</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, beginning	<u>22,286</u>	<u>1,488,858</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, ending	<u>\$ 49,639</u>	<u>\$ 2,296,432</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Education Excellence Fund	Individuals With Disabilities Education Act Fund	Pre-School Flow-Through Fund	Federal Adult Education Fund	State Adult Education Fund
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	321
183,466	-	-	-	-
-	1,676,470	83,314	1,098	-
-	-	-	-	-
<u>183,466</u>	<u>1,676,470</u>	<u>83,314</u>	<u>1,098</u>	<u>321</u>
-	-	-	-	-
-	1,174,280	45,072	-	-
-	-	-	-	-
-	-	-	-	-
193,799	-	-	-	-
-	-	-	1,098	321
-	411,489	17,278	-	-
-	65,735	23,484	-	-
-	3,000	-	-	-
-	-	-	-	-
-	20,990	-	-	-
-	8,723	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>193,799</u>	<u>1,684,217</u>	<u>85,834</u>	<u>1,098</u>	<u>321</u>
<u>(10,333)</u>	<u>(7,747)</u>	<u>(2,520)</u>	<u>-</u>	<u>-</u>
10,333	59,396	2,520	-	-
-	(51,649)	-	-	-
<u>10,333</u>	<u>7,747</u>	<u>2,520</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana
Nonmajor Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (continued)
Year Ended June 30, 2013
With Comparative Totals for June 30, 2012

	School Lunch/ Breakfast Fund	TASC Fund	Preschool LA-4 Fund
Revenues			
Local Sources:			
Taxes:			
Ad valorem tax	\$ -	\$ -	\$ -
Sales tax	-	-	-
Interest income	242	-	-
Food services	764,780	-	-
Other	3,769	76,228	-
State sources	1,025,001	-	7,817
Federal sources	2,935,523	-	-
Other commodities	295,171	-	-
Total revenues	<u>5,024,486</u>	<u>76,228</u>	<u>7,817</u>
Expenditures			
Current:			
Instruction -			
Regular programs	-	-	-
Special education programs	-	345	-
Vocational education programs	-	-	-
Other instructional programs	-	-	-
Special programs	-	-	11,696
Adult and continuing education programs	-	-	-
Support services -			
Pupil support services	-	74,497	-
Instructional staff support services	-	-	-
General administration	-	-	-
Business services	-	-	-
Operation and maintenance of plant services	-	-	7,819
Student transportation services	-	-	-
Central services	-	-	-
Non-instructional services -			
Food service operations	5,096,195	-	-
Facility acquisition and construction	-	-	-
Total expenditures	<u>5,096,195</u>	<u>74,842</u>	<u>19,515</u>
Excess (deficiency) of revenues over expenditures	<u>(71,709)</u>	<u>1,386</u>	<u>(11,698)</u>
Other financing sources (uses)			
Transfers in	113,155	-	11,698
Transfers out	-	-	-
Total other financing sources (uses)	<u>113,155</u>	<u>-</u>	<u>11,698</u>
Net change in fund balances	41,446	1,386	-
Fund balances, beginning	<u>93,310</u>	<u>-</u>	<u>-</u>
Fund balances, ending	<u>\$ 134,756</u>	<u>\$ 1,386</u>	<u>\$ -</u>

2009 Sales Tax Fund	District School Improvement Grant (LASIG) Fund	School Wide Positive Behavior Fund	Preschool TANF Fund	Rural Education Achievement Program (REAP) Fund
\$ -	\$ -	\$ -	\$ -	\$ -
3,993,016	-	-	-	-
7,246	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	10,000	54,959	538,217	180,624
-	-	-	-	-
<u>4,000,262</u>	<u>10,000</u>	<u>54,959</u>	<u>538,217</u>	<u>180,624</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	556,502	-
-	-	-	-	-
-	-	-	-	-
-	10,000	52,584	-	185,785
-	-	-	-	-
-	-	-	-	-
-	-	-	15,682	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>10,000</u>	<u>52,584</u>	<u>572,184</u>	<u>185,785</u>
<u>4,000,262</u>	<u>-</u>	<u>2,375</u>	<u>(33,967)</u>	<u>(5,161)</u>
-	-	-	33,967	5,161
<u>(4,000,262)</u>	<u>-</u>	<u>(2,375)</u>	<u>-</u>	<u>-</u>
<u>(4,000,262)</u>	<u>-</u>	<u>(2,375)</u>	<u>33,967</u>	<u>5,161</u>
-	-	-	-	-
<u>500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 500,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana
Nonmajor Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (continued)

Year Ended June 30, 2013

With Comparative Totals for June 30, 2012

	Carl Perkins Fund	Jobs For America's Graduates (JAG) Fund	CDBG
Revenues			
Local Sources:			
Taxes:			
Ad valorem tax	\$ -	\$ -	\$ -
Sales tax	-	-	-
Interest income	-	-	-
Food services	-	-	-
Other	-	-	-
State sources	-	-	-
Federal sources	118,536	50,000	727,892
Other commodities	-	-	-
Total revenues	<u>118,536</u>	<u>50,000</u>	<u>727,892</u>
Expenditures			
Current:			
Instruction -			
Regular programs	-	-	-
Special education programs	-	-	-
Vocational education programs	113,401	53,806	-
Other instructional programs	-	-	-
Special programs	-	-	749,191
Adult and continuing education programs	-	-	-
Support services -			
Pupil support services	-	-	-
Instructional staff support services	5,135	-	-
General administration	-	-	-
Business services	-	-	-
Operation and maintenance of plant services	-	-	-
Student transportation services	-	-	-
Central services	-	-	-
Non-instructional services -			
Food service operations	-	-	-
Facility acquisition and construction	-	-	-
Total expenditures	<u>118,536</u>	<u>53,806</u>	<u>749,191</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(3,806)</u>	<u>(21,299)</u>
Other financing sources (uses)			
Transfers in	-	3,806	21,299
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>3,806</u>	<u>21,299</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Math & Science Partnership Fund	Coastal Parish Revitalization Fund	Striving Readers Fund	Totals	
			2013	2012
\$ -	\$ -	\$ -	\$ 11,392,856	\$ 10,718,734
-	-	-	3,993,016	3,609,556
-	-	-	28,894	25,997
-	-	-	764,780	730,455
-	-	-	80,518	82,896
-	-	-	1,216,284	1,327,870
224,939	39,432	1,571,348	11,659,578	11,851,654
-	-	-	295,171	275,888
<u>224,939</u>	<u>39,432</u>	<u>1,571,348</u>	<u>29,431,097</u>	<u>28,623,050</u>
-	39,342	964,835	2,511,843	1,622,244
-	-	3,666	1,223,363	1,696,134
-	-	99	167,306	219,753
-	-	-	-	12,699
-	-	101,777	3,233,646	3,655,935
-	-	-	1,419	127,349
-	-	-	1,239,607	1,470,979
231,113	-	472,880	1,561,469	1,319,515
-	-	-	489,524	492,609
-	-	-	17,335	16,123
-	90	-	143,710	144,510
-	-	-	625,468	654,876
-	-	-	49,584	60,473
-	-	-	5,096,195	5,219,057
-	-	-	562,849	1,345,296
<u>231,113</u>	<u>39,432</u>	<u>1,543,257</u>	<u>16,923,318</u>	<u>18,057,552</u>
<u>(6,174)</u>	<u>-</u>	<u>28,091</u>	<u>12,507,779</u>	<u>10,565,498</u>
6,174	-	39,824	472,717	594,341
-	-	(67,915)	(12,102,737)	(11,416,432)
<u>6,174</u>	<u>-</u>	<u>(28,091)</u>	<u>(11,630,020)</u>	<u>(10,822,091)</u>
-	-	-	877,759	(256,593)
-	-	-	2,104,454	2,361,047
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,982,213</u>	<u>\$ 2,104,454</u>

NONMAJOR DEBT SERVICE FUNDS

Debt Service Funds are used to account for the accumulation of resources for the payment of bonded debt principal, interest, and related costs.

Certificates of Indebtedness, Series 2009

To accumulate monies for the payment of the Certificates of Indebtedness, Series 2009 issued in the amount of \$1,400,000. The certificates were issued for the purpose of constructing and equipping a new cafeteria at Meaux Elementary School. The certificates are secured by and payable from a pledge and dedication of the excess of annual revenues.

Revenue Bonds, Series 2011

To accumulate monies for the payment of the Revenue Bonds, Series 2011 issued in the amount of \$2,025,000. The bonds were issued for the purpose of refinancing the Certificates of Indebtedness, Series 2008 and constructing a new Middle School complex on the North Vermilion High School campus. The bonds are secured by and payable from a pledge and dedication of the excess of annual revenues.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana
Nonmajor Debt Service Fund

Comparative Balance Sheet
June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
ASSETS		
Cash and interest-bearing deposits	<u>\$ 65,301</u>	<u>\$ 66,293</u>
LIABILITIES AND FUND BALANCE		
Liabilities	\$ -	\$ -
Fund balance:		
Restricted	<u>65,301</u>	<u>66,293</u>
Total liabilities and fund balance	<u>\$ 65,301</u>	<u>\$ 66,293</u>

VERMILION PARISH SCHOOL BOARD
 Abbeville, Louisiana
 Nonmajor Debt Service Fund

Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance
 For the Years Ended June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Revenues		
Local Sources:		
Interest income	\$ 213	\$ 483
Expenditures		
Debt service:		
Principal retirement	275,000	345,000
Interest and fiscal charges	82,703	90,348
Legal and technical fees	<u>550</u>	<u>347</u>
Total expenditures	<u>358,253</u>	<u>435,695</u>
Deficiency of revenues over expenditures	(358,040)	(435,212)
Other financing sources:		
Transfers in	<u>357,048</u>	<u>354,458</u>
Net change in fund balances	(992)	(80,754)
Fund balance, beginning	<u>66,293</u>	<u>147,047</u>
Fund balance, ending	<u>\$ 65,301</u>	<u>\$ 66,293</u>

NONMAJOR CAPITAL PROJECTS

Capital projects are used to account for capital asset acquisition, construction, and improvements of public school facilities and is currently funded by grant proceeds from Community Development Block Grant which is being used for constructing a new middle school complex on the North Vermilion High School Campus.

VERMILION PARISH SCHOOL BOARD
 Abbeville, Louisiana
 Nonmajor Capital Projects Fund

Comparative Balance Sheet
 June 30, 2013

	<u>2013</u>	<u>2012</u>
ASSETS		
Cash and interest-bearing deposits	\$ -	\$ 42,261
Receivables	<u>950,206</u>	<u>-</u>
Total assets	<u>\$ 950,206</u>	<u>\$ 42,261</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	\$ 599,026	\$ -
Retainage payable	75,006	-
Due to other funds	<u>218,113</u>	<u>-</u>
Total liabilities	892,145	-
Fund balance:		
Restricted	<u>58,061</u>	<u>42,261</u>
Total liabilities and fund balance	<u>\$ 950,206</u>	<u>\$ 42,261</u>

VERMILION PARISH SCHOOL BOARD

Abbeville, Louisiana

Nonmajor Capital Projects

Comparative Statement of Revenues, Expenditures and Changes in Fund Balance
Years Ended June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Revenues		
Federal sources	<u>\$ 1,502,052</u>	<u>\$ 295,665</u>
Expenditures		
Current:		
Support Services -		
General Administration	1,935	27,966
Facility acquisition and construction	<u>1,569,368</u>	<u>747,960</u>
Total Expenditures	<u>1,571,303</u>	<u>775,926</u>
Deficiency of revenues over expenditures	(69,251)	(480,261)
Other financing sources (uses):		
Proceeds from issuance of debt	-	2,025,000
Payment to refunded bond escrow agent	-	(1,485,000)
Transfers in	85,051	-
Transfers out	<u>-</u>	<u>(17,478)</u>
Total other financing sources (uses)	<u>85,051</u>	<u>522,522</u>
Net change in fund balance	15,800	42,261
Fund balance, beginning	<u>42,261</u>	<u>-</u>
Fund balance, ending	<u>\$ 58,061</u>	<u>\$ 42,261</u>

NONMAJOR PERMANENT FUND

Non-expendable trust

Dr. Daniel R. Dartez Educational Public Trust Fund

On June 11, 1996 pursuant to Louisiana Revised Statute LSR-R.S. 17:81(m), the School Board established a nonexpendable trust fund. Trust principal is derived from surplus revenues and may not be used for expenditures. Income from the investment of fund principal is restricted to meeting the capital outlay needs of the Vermilion Parish School System.

VERMILION PARISH SCHOOL BOARD
 Abbeville, Louisiana
 Nonmajor Permanent Fund

Comparative Balance Sheet
 June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
ASSETS		
Cash and interest-bearing deposits	\$ 264,064	\$ 249,387
Investments	12,084,038	11,788,958
Accrued interest	<u>87,309</u>	<u>86,265</u>
Total assets	<u>\$ 12,435,411</u>	<u>\$ 12,124,610</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	\$ 9,218	\$ 9,024
Fund balance:		
Nonspendable	<u>12,426,193</u>	<u>12,115,586</u>
Total liabilities and fund balance	<u>\$ 12,435,411</u>	<u>\$ 12,124,610</u>

VERMILION PARISH SCHOOL BOARD
 Abbeville, Louisiana
 Nonmajor Permanent Fund

Comparative Statement of Revenues, Expenditures and Changes in Fund Balance
 Years Ended June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Operating revenues:		
Investment earnings:		
Interest and dividends	\$ 447,492	\$ 443,651
Net increase in fair value of investments	<u>257,145</u>	<u>110,821</u>
Total operating revenues	704,637	554,472
Operating expenses:		
Administration	<u>36,982</u>	<u>35,483</u>
Operating income	667,655	518,989
Other financing (uses):		
Transfers out	<u>(357,048)</u>	<u>(336,980)</u>
Net income	310,607	182,009
Fund balance, beginning	<u>12,115,586</u>	<u>11,933,577</u>
Fund balance, ending	<u>\$ 12,426,193</u>	<u>\$ 12,115,586</u>

FIDUCIARY FUNDS

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore can not be used to support the School Boards own programs.

Agency Funds

School Activity Fund

The School Activity Fund accounts for monies generated by the individual schools and school organizations within the parish. While the school activity accounts are under the supervision of the School Board, they belong to the individual schools or their student bodies and is not available for use by the School Board.

Sales Tax Collection Fund

The Sales Tax Collection Fund accounts for the collection and distribution of sales tax that the School Board has the responsibility of collecting. Effective March 1, 1992, the School Board was appointed the central sales tax collecting agency for all taxing bodies within Vermilion Parish. The cost of collecting the taxes is divided among all of the taxing bodies based upon their respective sales and use tax in relation to the combined total.

VERMILION PARISH SCHOOL BOARD
 Abbeville, Louisiana
 Agency Funds

Combining Statement of Assets and Liabilities
 June 30, 2013
 With Comparative Totals for June 30, 2012

	School Activity	Sales Tax Collection Fund	Totals	
			2013	2012
ASSETS				
Cash and interest-bearing deposits	<u>\$ 1,660,015</u>	<u>\$ 2,798,698</u>	<u>\$ 4,458,713</u>	<u>\$ 4,121,945</u>
LIABILITIES				
Due to other governmental units	\$ -	\$ 2,457,353	\$ 2,457,353	\$ 2,296,438
Deposits due others	<u>1,660,015</u>	<u>341,345</u>	<u>2,001,360</u>	<u>1,825,507</u>
Total liabilities	<u>\$ 1,660,015</u>	<u>\$ 2,798,698</u>	<u>\$ 4,458,713</u>	<u>\$ 4,121,945</u>

Vermilion Parish School Board
Abbeville, Louisiana
School Activity Agency Fund

Schedule of Changes in Deposits Due Others
For the Year Ended June 30, 2013

Schools	Balance July 01, 2012	Additions	Deductions	Balance June 30, 2013
Abbeville High	\$ 101,473	\$ 328,214	\$ 328,048	\$ 101,639
Cecil Picard at Maurice Elementary	56,050	142,876	142,917	56,009
Dozier Elementary	60,291	140,267	118,157	82,401
Eaton Park Elementary	33,052	71,180	71,766	32,466
Erath High	144,916	706,508	702,676	148,748
Erath Middle	130,121	222,799	220,363	132,557
F.I./E. Broussard Elementary	104,858	144,046	140,277	108,627
Gueydan High	108,057	210,103	188,293	129,867
James Herod Elementary	26,135	52,624	61,883	16,876
Indian Bayou Elementary	38,847	58,309	55,886	41,270
J. H. Williams Middle	130,524	117,142	111,010	136,656
Jesse Owens Elementary	35,048	52,553	58,324	29,277
Kaplan Elementary	77,475	138,269	119,137	96,607
Kaplan High	162,865	500,178	481,438	181,605
LeBlanc Elementary	37,617	106,080	110,304	33,393
Meaux Elementary	21,758	104,018	87,663	38,113
North Vermilion High	142,772	751,992	702,350	192,414
Rene A. Rost Middle	41,484	170,896	174,503	37,877
Seventh Ward Elementary	52,323	71,879	60,589	63,613
Total balances	<u>\$ 1,505,666</u>	<u>\$4,089,933</u>	<u>\$3,935,584</u>	<u>\$1,660,015</u>

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana
Sales Tax Collection Agency Fund

Schedule of Cash Receipts and Disbursements
For the Year Ended June 30, 2013
With Comparative Totals for June 30, 2012

	2013	2012
Deposits due others - beginning	\$ 319,841	\$ 264,852
Additions:		
Sales tax collections - parishwide	41,608,018	38,144,848
Interest earnings	13,161	11,147
Total Additions	41,621,179	38,155,995
Beginning balance plus additions	41,941,020	38,420,847
Deductions:		
Transfers to:		
General Fund:		
Sales tax	12,491,548	11,439,279
Sales tax administrative allowance	389,966	359,896
Refunds	96,741	52,650
Interest Earnings	3,930	3,308
Vermilion Parish Police Jury:		
Sales Tax	12,390,913	11,269,774
Interest Earnings	3,989	3,377
Vermilion Parish Sheriff:		
Sales Tax	6,194,351	5,578,996
Interest Earnings	1,993	1,674
City of Kaplan:		
Sales Tax	590,866	578,442
Interest Earnings	192	171
City of Abbeville:		
Sales Tax	3,510,813	3,409,979
Interest Earnings	1,141	1,000
Town of Gueydan:		
Sales Tax	198,835	225,584
Interest Earnings	65	66
Town of Erath:		
Sales Tax	275,229	255,627
Interest Earnings	88	76
Town of Delcambre:		
Sales Tax	184,499	167,851
Interest Earnings	60	49

(continued)

VERMILION PARISH SCHOOL BOARD
 Abbeville, Louisiana
 Sales Tax Collection Agency Fund

Schedule of Cash Receipts and Disbursements (Continued)
 Year Ended June 30, 2013
 With Comparative Totals for June 30, 2012

	<u>2013</u>	<u>2012</u>
Deductions:		
Village of Maurice:		
Sales Tax	674,958	564,044
Interest Earnings	218	164
Vermilion Parish Tourist Commission:		
Sales Tax	111,786	145,466
Interest Earnings	36	43
Hospital Service District #1:		
Sales Tax	1,378,885	1,349,303
Interest Earnings	458	420
Hospital Service District #2:		
Sales Tax	3,001,341	2,568,102
Interest Earnings	959	760
Economic Development District #1		
Sales Tax	71,454	72,149
Interest Earnings	23	21
Abbeville Film and Visitors Commision		
Sales Tax	24,330	52,719
Interest Earnings	8	16
Total deductions	<u>41,599,675</u>	<u>38,101,006</u>
Deposits due others - ending	<u>\$ 341,345</u>	<u>\$ 319,841</u>

**INTERNAL CONTROL, COMPLIANCE
AND
OTHER MATTERS**

C. Burton Kolder, CPA*
Russell F. Champagne, CPA*
Victor R. Slaven, CPA*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
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Retired:
Conrad O. Chapman, CPA* 2006

* A Professional Accounting Corporation

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

OFFICES

183 South Beadle Rd.
Lafayette, LA 70508
Phone (337) 232-4141
Fax (337) 232-8660

450 East Main Street
New Iberia, LA 70560
Phone (337) 367-9204
Fax (337) 367-9208

113 East Bridge St.
Breaux Bridge, LA 70517
Phone (337) 332-4020
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1428 Metro Drive
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Phone (318) 442-4421
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Mr. Jerome Puyau, Superintendent,
and Members of the Vermilion Parish School Board
Abbeville, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Vermilion Parish School Board (the School Board), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements, and have issued our report thereon dated December 4, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School Board's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the School Board's internal control.

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
December 4, 2013

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Mr. Jerome Puyau, Superintendent
and Members of the Vermilion Parish School Board
Abbeville, Louisiana

Report on Compliance for Each Major Federal Program

We have audited the Vermilion Parish School Board's (the School Board) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the School Board's major federal programs for the year ended June 30, 2013. The School Board's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School Board's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School Board's compliance.

Opinion on Each Major Federal Program

In our opinion, the School Board complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of the School Board is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Board's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Board's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
December 4, 2013

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2013

Federal Grantor/Pass-Through Grantor/ Program Title	Project Number	CFDA Number	Expenditures
<u>United States Department of Agriculture</u>			
Passed through Louisiana Department of Agriculture and Forestry :			
Food Distribution Program (noncash)	N/A	10.555	\$ 295,171
Passed through Louisiana Department of Education			
School Breakfast Program	N/A	10.553	704,263
National School Lunch Program	N/A	10.555	2,231,262
Total for Child Nutrition Cluster			<u>2,935,525</u>
Total United States Department of Agriculture			<u>3,230,696</u>
<u>United States Department of Community Planning and Development, Department of Housing and Development</u>			
Passed through State of Louisiana Division of Administration Office of Finance and Support Services:			
Community Development Block Grants/State's Program	670230	14.228	1,502,052
Community Development Block Grants/State's Program	B08DI220001	14.228	727,892
Total for Community Development Block Grants/State's Program			<u>2,229,944</u>
<u>United States Department of Education</u>			
Coastal Revitalization	S215C100010	84.215	<u>39,432</u>
Passed through State Department of Education:			
Adult Education State Grant Program	-	84.002	<u>1,098</u>
Title I Grant to Local Education Agencies	S010A100018	84.010	<u>2,856,795</u>
Special Education - Grants to States (IDEA, Part B) *	H027A100033	84.027	1,676,470
Special Education - Preschool Grants (IDEA Preschool) *	H173A100082	84.173	83,314
Total for Special Education Cluster			<u>1,759,784</u>
Career and Technical Education - Basic Grants to States	V048A100018A	84.048	<u>118,536</u>

(continued)

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Schedule of Expenditures of Federal Awards (continued)
Year Ended June 30, 2013

Federal Grantor/Pass-Through Grantor/ Program Title	Project Number	CFDA Number	Expenditures
<u>United States Department of Education (continued)</u>			
Passed through State Department of Education:			
Special Education - State Personnel Development	H323A110003	84.323	10,000
Special Education - State Personnel Development: State Wide			
Positive Behavioral Support Project (SWPBSP)	H027A100033	84.323	54,959
Total for Special Education - State Personnel Development			<u>64,959</u>
English Language Acquisition Grants - Title III Immigrant Set Aside	S365A1000018A	84.365	<u>42,245</u>
Math and Science Partnership	S366B090019	84.366	<u>224,939</u>
Improving Teacher Quality State Grants	S367A100017	84.367	<u>548,186</u>
Rural Education Achievement Program	S358B100018	84.358	<u>180,624</u>
Striving Readers *	S371C110045-11A	84.371	<u>1,571,348</u>
Total United States Department of Education			<u>7,407,946</u>
<u>United States Department of Health & Human Services</u>			
Passed through Louisiana Department of Education:			
Temporary Assistance for Needy Families (TANF) -			
Jobs for America's Graduates	G1002LATANF	93.558	50,000
The Cecil J. Picard LA 4 Early Childhood Program	G1002LATANF	93.558	538,217
Total Temporary Assistance for Needy Families (TANF)			<u>588,217</u>
<u>United States Department of Homeland Security</u>			
Passed through State Department of Homeland Security			
and Emergency Preparedness:			
Public Assistance Grants *	N/A	97.036	<u>170,907</u>
TOTAL FEDERAL AWARDS			<u>\$13,627,710</u>

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2013

(1) General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the Vermilion Parish School Board (the School Board). The School Board's reporting entity is defined in Note 1 to the basic financial statements for the year ended June 30, 2013. All federal financial assistance received directly from federal agencies is included on the schedule as well as federal financial assistance passed through other government agencies. The following programs are considered major federal programs of the School Board: Special Education cluster, Striving Readers, and Public Assistance Grants.

(2) Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the School Board's basic financial statements for the year ended June 30, 2013.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Schedule of Findings and Questioned Costs
Year Ended June 30, 2013

Part I. Summary of Auditor's Results:

1. An unqualified report was issued on the basic financial statements.
2. No significant deficiencies in internal control were disclosed by the audit of the basic financial statements.
3. There were no material instances of noncompliance.
4. No significant deficiencies in internal control over the major programs were disclosed by the audit of the basic financial statements.
5. An unqualified opinion was issued on compliance for the major programs.
6. The audit disclosed no findings required to be reported under Section 510(a) of Circular A-133.
7. The following programs were considered to be major programs:
 - U.S. Department of Education/Louisiana Department of Education –
 - Special Education – Grants to States (IDEA, Part B), CFDA 84.027
 - Special Education – Preschool Grants (IDEA Preschool), CFDA 84.173
 - Striving Readers, CFDA 84.371
 - U.S. Department of Homeland Security/Louisiana Department of Homeland Security and Emergency Preparedness -
 - Public Assistance Grants, CFDA 97.036
8. The dollar threshold used to distinguish between Type A and Type B programs, as described in Section 520(b) of Circular A-133 was \$408,831.
9. The auditee did qualify as a low-risk auditee under Section 530 of Circular A-133.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2013

Part II. Findings which are required to be reported in accordance with generally accepted Governmental Auditing Standards:

A. Compliance Findings –

There were no compliance findings.

B. Internal Control Findings –

There were no internal control findings.

Part III. Findings and questioned costs for Federal awards which include audit findings as defined in Section 510(a) of Circular A-133:

There are no findings and questioned costs related to federal programs.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Schedule of Current and Prior year Audit Findings and
Management's Corrective Action Plan
Year Ended June 30, 2013

Part I. Current Year (6/30/2013)

Findings which are required to be reported in accordance with generally accepted Governmental Auditing Standards:

A. Compliance Findings –

There were no compliance findings.

B. Internal Control Findings –

There were no internal control findings.

C. Findings and questioned costs for Federal awards which include audit findings as defined in Section 510(a) of Circular A-133:

There are no findings and questioned costs related to federal programs.

Part II. Prior Year (6/30/2012)

Findings which are required to be reported in accordance with generally accepted Governmental Auditing Standards:

A. Compliance Findings –

There were no compliance findings.

B. Internal Control Findings –

There were no internal control findings.

C. Findings and questioned costs for Federal awards which include audit findings as defined in Section 510(a) of Circular A-133:

There are no findings and questioned costs related to federal programs.

**SUPPLEMENTAL SCHEDULES
OF
PERFORMANCE MEASURES**

C. Burton Kolder, CPA*
Russell F. Champagne, CPA*
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--	--

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WWW.KCSRCPAS.COM

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Mr. Jerome Puyau, Superintendent
and Members of the Vermilion Parish School Board
Abbeville, Louisiana

We have performed the procedures included in the Louisiana Governmental Audit Guide and enumerated below, which were agreed to by the management of Vermilion Parish School Board and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of Vermilion Parish School Board and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE). This agreed-upon procedures engagement was conducted in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings relate to the accompanying schedules and are as follows:

I. General Fund Instructional and Support Expenditures and Certain Local Revenue Sources (Schedule 1)

1. We selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following amounts reported on the schedule:

- Total General Fund Instructional Expenditures,
- Total General Fund Equipment Expenditures,
- Total Local Taxation Revenue,
- Total Local Earnings on Investment in Real Property,
- Total State Revenue in Lieu of Taxes,
- Nonpublic Textbook Revenue, and
- Nonpublic Transportation Revenue.

There were no exceptions noted.

II. Education Levels of Public School Staff (Schedule 2)

2. We reconciled the total number of full-time classroom teachers per the schedule “Experience of Public Principals and Full-time Classroom Teachers” (Schedule 4) to the combined total number of full-time classroom teachers per this schedule and to school board supporting payroll records as of October 1st.

There were no exceptions noted.

3. We reconciled the combined total of principals and assistant principals per the schedule “Experience of Public Principals and Full-time Classroom Teachers” (Schedule 4) to the combined total of principals and assistant principals per this schedule.

There were no exceptions noted.

4. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1st and as reported on the schedule. We traced a random sample of 25 teachers to the individual’s personnel file and determine if the individual’s education level was properly classified on the schedule.

There were no exceptions noted.

III. Number and Type of Public Schools (Schedule 3)

5. We obtained a list of schools by type as reported on the schedule. We compared the list to the schools and grade levels as reported on the Title 1 Grants to Local Educational Agencies (CFDA 84.010) application and/or the National School Lunch Program (CFDA 10.555) application.

There were no exceptions noted.

IV. Experience of Public Principals and Full-time Classroom Teachers (Schedule 4)

6. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1 and as reported on the schedule and traced the same sample used in procedure 4 to the individual’s personnel file and determined if the individual’s experience was properly classified on the schedule.

There were no exceptions noted.

V. Public Staff Data (Schedule 5)

7. We obtained a list of all classroom teachers including their base salary, extra compensation, and ROTC or rehired retiree status as well as full-time equivalent as reported on the schedule and traced a random sample of 25 teachers to the individual’s personnel file and determined if the individual’s salary, extra compensation, and full-time equivalents were properly included on the schedule.

There were two exceptions noted regarding the reported full-time equivalents for two employees. Two employees were noted as being a full-time equivalent on the PEP schedule; however, our test showed that each employee was less than a full-time equivalent.

Management's Response: The difference in the full time equivalent calculation for 2 employees used for reporting average salaries in this year's Assurance Schedule 5 is related to work missed by these individuals. Days missed in excess of allotted leave must be manually adjusted in the payroll system so that total minutes worked can be properly reported in PEP. The salary for these employees was correctly adjusted by the system, but the minutes not worked was inadvertently overlooked and therefore not properly modified. Procedures have been established to assure that in the future, time worked by all employees is properly reported.

8. We recalculated the average salaries and full-time equivalents reported in the schedule.

There were no exceptions noted.

VI. Class Size Characteristics (Schedule 6)

9. We obtained a list of classes by school, school type, and class size as reported on the schedule and reconciled school type classifications to Schedule 3 data, as obtained in procedure 5. We then traced a random sample of 10 classes to the October 1 class roster for those classes and determined if the class was properly classified on the schedule.

There were no exceptions noted.

VII. Louisiana Educational Assessment Program (LEAP) for the 21st Century (Schedule 7)

10. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by Vermilion Parish School Board.

There were no exceptions noted.

VIII. The Graduation Exit Exam for the 21st Century (Schedule 8)

11. Information is not applicable for 2013, and is shown for historical purposes.

IX. iLEAP Tests (Schedule 9)

12. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by Vermilion Parish School Board.

There were no exceptions noted.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion, on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Vermilion Parish School Board, the Louisiana Department of Education, the Louisiana Legislature, and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
December 4, 2013

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Schedules Required by State Law
(R.S. 24:514 – Performance and Statistical Data)
Year Ended June 30, 2013

Schedule 1 - General Fund Instructional and Support Expenditures and Certain Local Revenue Sources

This schedule includes general fund instructional and equipment expenditures. It also contains local taxation revenue, earnings on investments, revenue in lieu of taxes, and nonpublic textbook and transportation revenue. This data is used either in the Minimum Foundation Program (MFP) formula or is presented annually in the MFP 70% Expenditure Requirement Report.

Schedule 2 - Education Levels of Public School Staff

This schedule includes the certificated and uncertificated number and percentage of full-time classroom teachers and the number and percentage of principals and assistant principal's with less than a Bachelor's; Master's; Master's +30; Specialist in Education; and Ph. D or Ed. D. degrees. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

Schedule 3 - Number and Type of Public Schools

This schedule includes the number of elementary, middle/junior high, secondary and combination schools in operation during the fiscal year. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

Schedule 4 - Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers

This schedule includes the number of years of experience in teaching for assistant principals, principals, and full-time classroom teachers. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

Schedule 5 - Public School Staff Data: Average Salaries

This schedule includes average classroom teachers salary using full-time equivalents, including and excluding ROTC and rehired retiree teachers. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

Schedule 6 - Class Size Characteristics

This schedule includes the percent and number of classes with student enrollment in the following ranges: 1-20, 21-26, 27-33, and 34+ students. This data is currently reported to the Legislature in the Annual School Report (ASR).

Schedule 7 - Louisiana Educational Assessment Program (LEAP)

This schedule represents student performance testing data and includes summary scores by district for grades 4 and 8 in each category tested. Scores are reported as Advanced, Proficient, Basic, Approaching Basic, and Unsatisfactory. This schedule includes three years of data.

Schedule 8 - Graduation Exit Examination (GEE)

This schedule represents student performance testing data and includes summary scores by district for grades 10 and 11 in each category tested. Scores are reported as Advanced, Proficient, Basic, Approaching Basic, and Unsatisfactory. This schedule includes three years of data.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Schedules Required by State Law
(R.S. 24:514 – Performance and Statistical Data) (Continued)
Year Ended June 30, 2013

Schedule 9 –iLEAP Tests

This schedule represents student performance testing data and includes a summary score for grades 3, 5, 6, and 7 for each district. The summary score reported is the National Percentile Rank showing relative position or rank as compared to a large, representative sample of students in the same grade from the entire nation. This schedule includes three years of data.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Schedule 1
General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2013

General Fund Instructional and Equipment Expenditures

General fund instructional expenditures:

Teacher and student interaction activities -

Classroom teacher salaries	\$ 26,994,799
Other instructional staff salaries	3,140,498
Employee benefits	12,159,368
Purchased professional and technical services	186,063
Instructional materials and supplies	553,661
Instructional equipment	5,989

Total teacher and student interaction activities		\$ 43,040,378
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Other instructional activities		664,984
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Pupil support activities	3,965,567	
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Less: Equipment for pupil support activities	-	
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Net pupil support activities		3,965,567
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Instructional staff services	3,280,993	
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Less: Equipment for instructional staff services	-	
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Net instructional staff services		3,280,993
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School Administration	4,919,146	
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Less: Equipment for School Administration	-	
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Net School Administration		4,919,146
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Total general fund instructional expenditures		\$ 55,871,068
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Total general fund equipment expenditures		\$ 65,809
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Certain Local Revenue Sources

Local taxation revenue:

Ad Valorem Taxes:

Constitutional ad valorem taxes	\$ 1,427,215
Renewable ad valorem tax	10,742,371
Debt service ad valorem tax	-
Up to 1% of collections by the Sheriff on taxes other than school taxes	307,558
Result of Court Ordered Settlement (Ad Valorem)	727,134
Penalties/Interest on Ad Valorem Taxes	61,013
Sales and use taxes	11,997,885
Penalties/Interest on Sales and use taxes	410,496

Total local taxation revenue		\$ 25,673,672
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Local earnings on investment in real property:

Earnings from 16th section property		\$ 4,638,061
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State revenue in lieu of taxes:

Revenue sharing - constitutional tax		\$ 146,715
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Nonpublic textbook revenue		\$ 23,027
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Nonpublic transportation revenue		\$ -
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VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Schedule 2
Education Levels of Public School Staff
As of October 1, 2012

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a bachelor's degree	-	0%	-	0%	-	0%	-	0%
Bachelor's degree	494	77%	-	0%	-	0%	-	0%
Master's degree	104	17%	-	0%	22	59%	-	0%
Master's degree + 30	20	4%	-	0%	10	27%	-	0%
Specialist in education	4	1%	-	0%	4	11%	-	0%
Ph. D. or Ed. D.	1	1%	-	0%	1	3%	-	0%
Total	623	100%	-	0%	37	100%	-	0%

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Schedule 3
Number and Type of Public Schools
For the Year Ended June 30, 2013

Type	Number
Elementary	11
Middle/Junior high	3
Secondary	5
Combination	0
Total	19

Note: Schools opened or closed during the fiscal year are included in this schedule.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Schedule 4
Experience of Public Principals and Full-time Classroom Teachers
As of October 1, 2012

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant principals	-	-	3	3	6	2	3	17
Principals	-	-	-	1	-	7	12	20
Classroom teachers	57	39	158	79	113	76	101	623
Total	57	39	161	83	119	85	116	660

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Schedule 5
Public School Staff Data
For the Year Ended June 30, 2013

	All Classroom Teachers	Classroom Teachers Excluding ROTC and Rehired Retirees
Average classroom teachers' salary including extra compensation	\$47,465	\$47,369
Average classroom teachers' salary excluding extra compensation	\$46,460	\$46,374
Number of teacher full-time equivalents (FTEs) used in computation of average salaries	626	607

Note: Figures reported include all sources of funding (i.e., federal, state, and local) but exclude employee benefits. Generally, retired teachers rehired to teach receive less compensation than non-retired teachers; some teachers may have been flagged as receiving reduced salaries (e.g., extended medical leave); and ROTC teachers receive more compensation because of a federal supplement. For these reasons, these teachers are excluded from the computation in the last column. This schedule excludes day-to-day substitutes, temporary employees and any teacher on sabbatical leave during any part of the school year.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Schedule 6
Class Size Characteristics
As of October 1, 2012

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	67.4%	883	30.5%	400	2.1%	27	0.0%	-
Elementary activity classes	61.5%	150	30.7%	75	4.1%	10	3.7%	9
Middle/Junior high	51.1%	262	43.0%	220	5.9%	30	0.0%	-
Middle/Junior high activity classes	48.0%	47	21.4%	21	25.5%	25	5.1%	5
High	69.7%	890	20.2%	258	10.0%	128	0.1%	1
High activity classes	73.5%	150	11.3%	23	10.8%	22	4.4%	9
Combination	0.0%	-	0.0%	-	0.0%	-	0.0%	-
Combination activity classes	0.0%	-	0.0%	-	0.0%	-	0.0%	-

Note: The Board of Elementary and Secondary Education has set specific limits on the maximum size of classes at various grade levels. The maximum enrollment in grades K-3 is 26 students and maximum enrollment in grades 4-12 is 33 students. These limits do not apply to activity classes such as physical education, chorus, band, and other classes without maximum enrollment standards. Therefore, these classes are included only as separate line items.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Schedule 7
Louisiana Educational Assessment Program (LEAP) for the 21st Century
For the Year Ended June 30, 2013

District Achievement Level Results	English Language Arts						Mathematics					
	2013		2012		2011		2013		2012		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	49	6%	55	7%	39	5%	68	9%	64	8%	57	8%
Mastery	186	24%	215	27%	174	24%	154	20%	174	22%	143	19%
Basic	359	46%	369	47%	364	50%	274	35%	356	45%	326	44%
Approaching basic	131	17%	101	13%	117	16%	142	18%	122	16%	141	19%
Unsatisfactory	49	6%	46	6%	41	6%	136	18%	69	9%	68	9%
Total	774		786		735		774		785		735	

District Achievement Level Results	Science						Social Studies					
	2013		2012		2011		2013		2012		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	40	5%	68	9%	25	3%	15	2%	22	3%	26	4%
Mastery	119	15%	175	22%	133	18%	119	15%	145	18%	142	19%
Basic	379	49%	350	45%	368	50%	421	54%	409	52%	423	58%
Approaching basic	180	23%	158	20%	171	23%	142	18%	126	16%	83	11%
Unsatisfactory	56	7%	35	4%	35	5%	76	10%	84	11%	58	8%
Total	774		786		732		773		786		732	

(continued)

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Schedule 7 (Continued)
Louisiana Educational Assessment Program (LEAP) for the 21st Century
For the Year Ended June 30, 2013

District Achievement Level Results	English Language Arts						Mathematics					
	2013		2012		2011		2013		2012		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	34	5%	27	4%	47	8%	21	3%	14	2%	17	3%
Mastery	156	22%	130	19%	155	27%	47	7%	38	6%	27	5%
Basic	333	48%	321	47%	242	42%	397	57%	391	57%	361	62%
Approaching basic	144	21%	173	25%	105	18%	159	23%	161	23%	111	19%
Unsatisfactory	32	5%	36	5%	30	5%	76	11%	81	12%	63	11%
Total	699		687		579		700		685		579	

District Achievement Level Results	Science						Social Studies					
	2013		2012		2011		2013		2012		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	30	4%	24	4%	13	2%	8	1%	16	2%	17	3%
Mastery	168	24%	132	19%	159	28%	109	16%	96	14%	70	12%
Basic	313	45%	300	44%	247	43%	408	58%	344	50%	301	52%
Approaching basic	152	22%	163	24%	120	21%	111	16%	156	23%	141	24%
Unsatisfactory	35	5%	65	10%	38	7%	63	9%	72	11%	48	8%
Total	698		684		577		699		684		577	

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Schedule 8
The Graduation Exit Exam for the 21st Century
For the Year Ended June 30, 2013

District Achievement Level Results	English Language Arts				Mathematics			
	2012		2011		2012		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 10								
Advanced			7	1%			56	12%
Mastery			58	12%			73	15%
Basic			261	54%			241	50%
Approaching basic			118	24%			67	14%
Unsatisfactory			40	8%			47	10%
Total			484				484	

District Achievement Level Results	Science				Social Studies			
	2012		2011		2012		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 11								
Advanced	29	6%	30	7%	8	2%	3	1%
Mastery	112	24%	102	22%	60	13%	49	11%
Basic	212	45%	210	46%	287	61%	273	60%
Approaching basic	85	18%	83	18%	87	18%	90	20%
Unsatisfactory	32	6%	31	7%	28	6%	41	9%
Total	470		456		470		456	

Note: This schedule is not applicable to Grade 10 for 2012. This schedule is not applicable to either grade for 2013. Information is shown for historical purposes.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Schedule 9
The iLEAP Tests
For the Year Ended June 30, 2013

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2013		2013		2013		2013	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	41	6%	29	4%	29	4%	21	3%
Mastery	172	25%	127	18%	153	22%	117	17%
Basic	337	48%	316	45%	329	47%	354	50%
Approaching basic	103	15%	142	20%	141	20%	119	17%
Unsatisfactory	49	7%	88	13%	50	7%	91	13%
Total	702		702		702		702	

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2013		2013		2013		2013	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	39	6%	39	6%	32	5%	36	5%
Mastery	160	23%	154	22%	151	22%	132	19%
Basic	363	52%	358	51%	321	46%	383	55%
Approaching basic	102	15%	98	14%	165	24%	99	14%
Unsatisfactory	36	5%	51	7%	31	4%	50	7%
Total	700		700		700		700	

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2013		2013		2013		2013	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	20	3%	32	5%	40	6%	103	15%
Mastery	115	16%	77	11%	157	22%	108	15%
Basic	377	54%	368	52%	301	43%	311	44%
Approaching basic	134	19%	127	18%	165	23%	120	17%
Unsatisfactory	57	8%	99	14%	41	6%	62	9%
Total	703		703		704		704	

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2013		2013		2013		2013	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	44	6%	13	2%	29	4%	21	3%
Mastery	157	22%	82	12%	139	20%	150	21%
Basic	364	51%	415	58%	334	47%	347	49%
Approaching basic	130	18%	138	19%	164	23%	125	18%
Unsatisfactory	18	3%	65	9%	46	6%	69	10%
Total	713		713		712		712	

(continued)

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Schedule 9 (Continued)
The iLEAP Tests
For the Year Ended June 30, 2013

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	34	5%	45	6%	30	4%	10	1%
Mastery	180	24%	132	18%	138	19%	135	18%
Basic	282	38%	320	43%	324	44%	325	44%
Approaching basic	160	22%	153	21%	177	24%	152	21%
Unsatisfactory	83	11%	89	12%	68	9%	115	16%
Total	739		739		737		737	

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	11	2%	47	7%	20	3%	14	2%
Mastery	130	19%	79	12%	147	21%	122	18%
Basic	345	50%	355	52%	327	48%	353	52%
Approaching basic	138	20%	123	18%	158	23%	133	19%
Unsatisfactory	60	9%	82	12%	32	5%	62	9%
Total	684		686		684		684	

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	28	4%	44	6%	34	5%	79	11%
Mastery	123	18%	102	15%	155	22%	86	12%
Basic	380	54%	398	57%	336	48%	331	47%
Approaching basic	128	18%	95	14%	137	20%	138	20%
Unsatisfactory	40	6%	61	9%	36	5%	64	9%
Total	699		700		698		698	

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	34	5%	32	5%	19	3%	19	3%
Mastery	131	19%	79	11%	151	21%	111	16%
Basic	370	52%	390	55%	331	47%	374	53%
Approaching basic	131	19%	136	19%	158	22%	137	19%
Unsatisfactory	40	6%	69	10%	46	7%	63	9%
Total	706		706		705		704	

(continued)

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Schedule 9 (Continued)
The iLEAP Tests
For the Year Ended June 30, 2013

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2011		2011		2011		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	48	6%	72	10%	37	5%	25	3%
Mastery	221	29%	123	16%	149	20%	141	19%
Basic	316	42%	323	43%	345	46%	366	48%
Approaching basic	106	14%	129	17%	151	20%	118	16%
Unsatisfactory	65	9%	109	14%	73	10%	105	14%
Total	756		756		755		755	

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2011		2011		2011		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	30	4%	62	9%	30	4%	26	4%
Mastery	146	21%	116	16%	143	20%	138	20%
Basic	341	48%	320	45%	340	48%	382	54%
Approaching basic	130	18%	125	18%	150	21%	107	15%
Unsatisfactory	58	8%	82	12%	40	6%	50	7%
Total	705		705		703		703	

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2011		2011		2011		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	20	3%	47	7%	37	5%	83	12%
Mastery	141	20%	75	11%	148	21%	114	16%
Basic	371	53%	373	54%	360	52%	333	48%
Approaching basic	123	18%	109	16%	120	17%	112	16%
Unsatisfactory	40	6%	91	13%	30	4%	53	8%
Total	695		695		695		695	

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2011		2011		2011		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	38	5%	26	4%	22	3%	18	3%
Mastery	116	17%	54	8%	87	13%	93	13%
Basic	342	49%	380	55%	346	50%	371	54%
Approaching basic	156	23%	144	21%	178	26%	118	17%
Unsatisfactory	41	6%	88	13%	59	9%	92	13%
Total	693		692		692		692	